Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: U-23521

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME: Mustang

8. FARM OR LEASE NAME: Mustang Unit

2. NAME OF OPERATOR: Skyline Oil Company

9. WELL NO.: 22-43

3. ADDRESS OF OPERATOR: 1775 Sherman St., Suite 1200, Denver, CO 80203

10. FIELD AND POOL, OR WILDCAT: ✓ Mustang Flat

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1690' FSL & 637' FEL (NE SE) Sec. 22,T.36S.,R.23E.
At proposed prod. zone: Same

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 22, T.36S., R.23E., SLB&M

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 6 miles east of Blanding, Utah

12. COUNTY OR PARISH: SAN JUAN ~~Emery~~ | 13. STATE: Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
637	1520	80
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
1880	6650'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): Original Ground Level - 6186'

22. APPROX. DATE WORK WILL START*: January 20, 1985

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
18"	14"	Tinhorn	50'	6 yds. Redi-Mix
12¼"	9-5/8"	36#	2300'	800 sx.
8-3/4"	5½"	15.50#	6650'	500 sx.

See attached 10-Point Plan and Multipoint Surface Use and Operations Plan for additional information.

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 11/29/84
BY: John R. Baza

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Michael D. Anderson TITLE ~~Staff Engineer~~ DATE 10-9-84

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

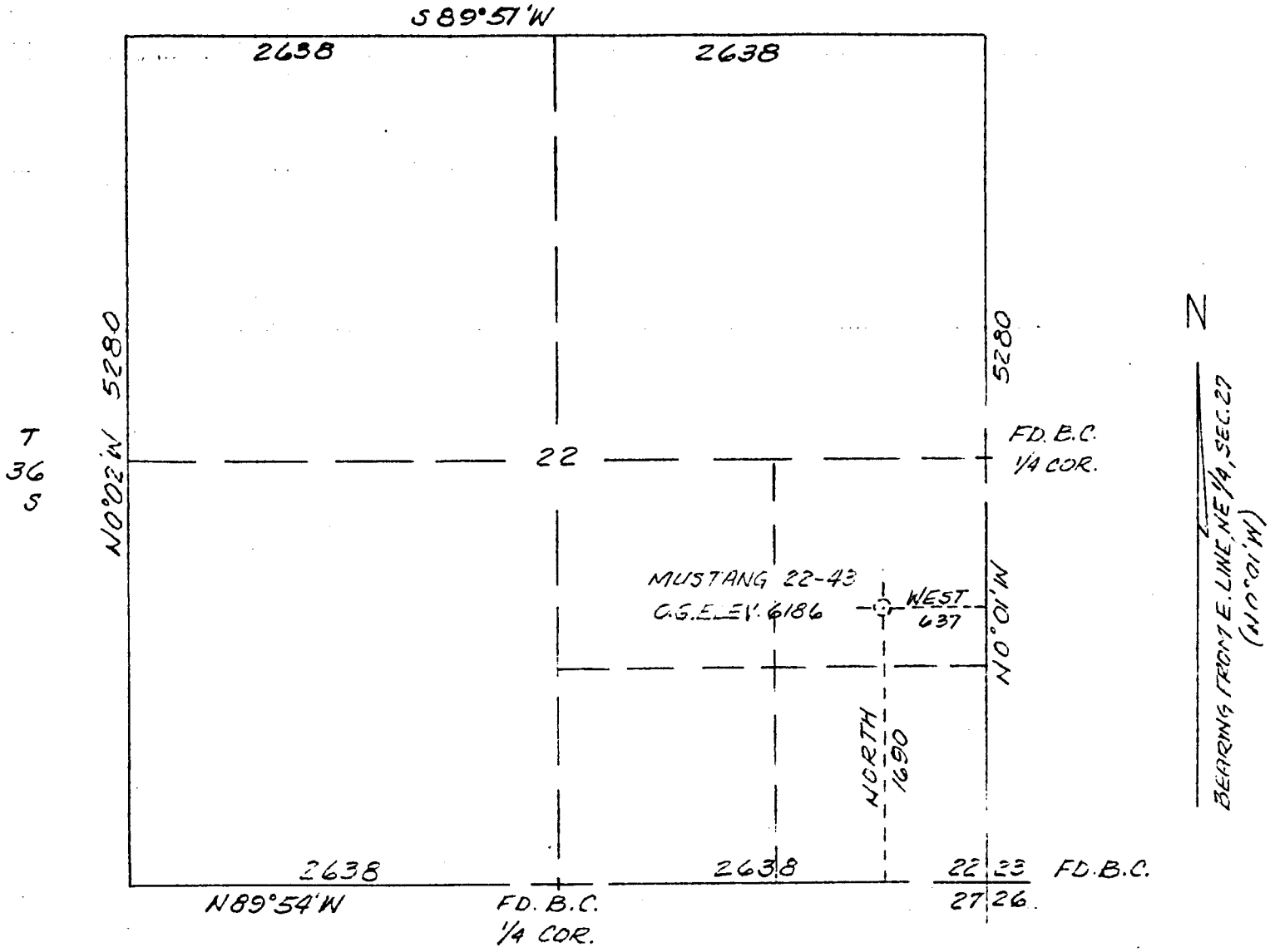
APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

R 23 E



SEC. BOUNDARY CALLS ARE RECORD G.L.O. TWP. PLAT

WELL LOCATION PLAT OF
MUSTANG 22-43 IN
NE 1/4 SE 1/4, SEC 22, T36S, R23E, S.L.B.&M.
SAN JUAN COUNTY, UTAH
TRANSIT & E.D.M. SURVEY
FOR: TEXAS EASTERN OIL CO.
SCALE: 1" = 1000 JUNE 14, 1982
& SEPT 13, 1984

ELEV. BY VER. ANGLES FROM
U.S.G.S. TOPO. QUAD. "BLANDING, UTAH"
1957 (E 1/4 COR, SEC. 27: 6000)

John A. Keogh
UTAH R.L.S. No. 1963

SKYLINE OIL COMPANY
10-POINT PLAN

Mustang Unit #22-43
NE SE Section 22, T. 36S., R 23E., SLM
San Juan County, Utah
Lease No. U-23521

1. Geologic Name of the Surface Formation:

Dakota Formation (Lower Cretaceous)

2. Estimated Tops of Important Geologic Markers:

Entrada	1320'
Navajo	1520'
Chinle	2270'
Ismay	6190'
Desert Creek	6540'
Akah Shale	6620'

3. Water sands will be protected behind the surface pipe set at 2300'. Prospective oil bearing formations are the Ismay and Desert Creek.

4. Proposed Casing Program:

Hole Size	Csg. Size & Weight		Cond.	Setting Depth	Cement	Anticipated Top
18"	14"	Tinhorn	New	50'	Redi-Mix	Surface
12¼"	9-5/8"	36#/ft.	New	2300'	800 sx.	Surface
8-3/4"	5½"	15.5/ft.	New	6650'	650 sx.	4000'

Actual cement volumes will be determined by caliper log plus adequate excess.

5. Pressure Control Equipment:

Surface: A rotating head will be installed on the conductor casing while drilling the surface hole.

Production: A 10" 3000 psi W.P. double gate hydraulic BOP will be set on a 10" 3000 psi W.P. casing head with screwed outlets. We will wait on cement 8 hours, nipple up the BOP assembly, and test BOP to 2000 psi. After testing, the surface casing will be drilled out after a minimum 24 hrs. WOC. Pipe ram operation will be checked daily and blind rams operated when pipe is removed from the hole on trips.

6. Drilling Mud Program

Interval	Program
0 - 2300'	Hole will be drilled with air and then mudded up prior to running surface casing.
2300' - 4500'	Fresh water, low solids & non-dispersed MW: 8.8-9.0 Vis: 32-38 WL: 15-20
4500' - TD	Fresh water, low solids & lightly dispersed MW: 8.8-9.5 Vis: 36-40 WL: 10

7. Auxiliary Equipment:

Auxiliary equipment to be used will consist of a Kelly cock and a full-opening drillpipe valve in open position on the rig floor at all times. A bit float will only be used while drilling the surface hole with air.

8. Testing, Coring and Logging Program:

Two drillstem tests are possible - one each in the Ismay and Desert Creek Formations.

No coring is anticipated.

The following logs will be run:

GR-DIL-SFL	TD to base of surface casing
GR-FDC-CNL-Cal	TD to 4000'
GR-BHC Sonic	TD to base of surface casing w/GR run to surface

The completion program is anticipated as follows:

A. Clean out casing to PBTD.
B. Run GR-CBL-CCL log to 200' above cement top.
C. Selectively perforate pay interval as determined by electric logs.
D. Run packer and tubing. Stimulate pay interval as determined by well conditions.
E. Flow test well to determine producing characteristics.
F. If additional pay intervals are present, isolate initial pay interval and repeat steps C-E.
G. Place well on production or shut well in pending installation of gas gathering system.

9. Anticipated Abnormal Pressures, Temperatures & Potential Hazards:

No abnormal pressures, temperatures or hazards are anticipated.

10. It is anticipated that drilling operations will commence on or about January 20, 1985 with approximately 20 days of drilling to reach T.D. Completion operations will require an additional 30-45 days.

MULTIPOINT SURFACE USE AND OPERATIONS PLAN

SKYLINE OIL COMPANY
MUSTANG UNIT #22-43
NE SE SEC. 22, T36S, R23E
SAN JUAN COUNTY, UTAH

LEASE NO. U-23521

1. Existing Roads - Exhibits "A" and "B"

Exhibits "A" and "B" show the wellsite as staked and its position relative to existing towns, roads, wells and topography. To reach the wellsite, travel 4.5 miles north of Blanding, Utah on U. S. Highway 160. Turn right on gravelled county road in Recapture Canyon and go generally east for 2.4 miles to junction. Turn left at junction and travel 2.4 miles generally north and east to junction. Turn right and travel 4 miles generally southeast to lease road turnoff. Turn right onto lease road and travel approximately 1.5 miles to access road. Turn left onto access road and travel approximately 200 yds. to wellsite.

All existing roads are shown on Exhibits "A" and "B". The existing roads to be used are shown in blue with the planned access road shown in red.

All county roads are maintained and are all-weather roads.

The San Juan County Road Department (801-587-2231. Ext. 43) will be contacted and an encroachment permit obtained prior to the use of the county roads.

Maintenance to existing county roads may be done if required.

2. Planned Access Road:

The attached Exhibits "A" and "B" show the planned access road in red. The planned access road is within the Mustang Unit of which Skyline Oil Company is operator. The access road will follow the previously flagged route and be approximately 200 yds. in length. The access road will be flat bladed with an 18' running surface and total disturbed width of 22'. If production is established, the access road will be water barred or brought to Class III Road Standards within 60 days of cessation of completion activities. Surfacing material will be gravel obtained through commercial sources.

The operator will furnish its dirt contractor with a complete copy of the approved APD with attachments prior to the initiation of any work associated with this APD.

If subsurface cultural material is exposed during contruction, work in that spot will stop immediately and the San Juan Resource Area Office contacted. All personnel working in the area will be informed by the operator that they are subject to prosecution for disturbing archeological sites and/or removal of artifacts. Salvage or excavation of identified archeological sites will only be done if damage occurs.

The operator or his contractor will contact the San Juan Resource Area Office in Monticello, Utah (801-587-2201), 48 hours prior to beginning any work on public land.

Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area required for operations will be approved in advance prior to any work.

3. Location of Existing Wells - Exhibit "B"

The locations of all existing wells within a one-mile radius of the proposed well are shown on Exhibit "B". The well types are as follows:

Gas wells	- 2	Abandoned wells	- 1
Oil wells	- 2	Injection wells	- 0
Water wells	- 1	Temp. abandoned wells	- 0
Drilling wells	- 0	Proposed Wells	- 2

4. Location of Existing and/or Proposed Facilities - Exhibits "B" & "C"

The existing facilities within a one-mile radius consists of a tank battery on the Mustang Unit #22-34. In the future, tank batteries are planned for all well locations and a field-wide gas gathering system is planned.

The proposed production facilities layout shown on the attached Exhibit "C" at a 1" = 50' scale. All production equipment and production pit will be fenced. Two 500-barrel production/storage tanks and one 300-barrel water storage tank will be inside a 50'X 60' X 4.5' earthen retaining wall to prevent contamination in the unlikely event of a tank rupture. All flowlines will be buried if possible and have working pressures exceeding the highest pressure anticipated for their use.

All permanent (onsite for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Inter-Agency Committee. All facilities will be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1½ times the storage capacity of the battery.

All loading lines and valves will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

All product lines entering or leaving hydrocarbon storage tanks will be effectively sealed.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead and/or separator to the meter along with any other sections occurring on the pad. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with API standards for liquid hydrocarbons and AGA standards for natural gas measurement.

5. Location and Type of Water Supply:

Water used for drilling and completion operations will be obtained from Recapture Lake 4 miles north of Blanding, Utah.

Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer (801) 637-1303 and by receiving permission from surface managing agency to use the land containing the water source.

6. Source of Construction Materials

No outside construction materials other than gravel will be required during drilling operations. Gravel, if required to stabilize the drillsite, will be obtained through an approved private source. No material will be obtained from Federal or Indian lands.

7. Methods of Waste Disposal

The reserve pit will be lined with commercial bentonite to prevent seepage. Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as drilling is completed. The fence will be kept in good repair while the pit is drying and until rehabilitation is initiated.

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contacting the State Fire Warden, John Baker, at (901) 587-2705.

Produced waste water will be confined to the lined reserve pit for a period not to exceed 90 days after initial production. During the 90-day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval.

8. Ancillary Facilities

None are planned.

9. Well Site Layout - Exhibits "D" & "E"

The top 6" of soil material will be removed from the wellsite and stockpiled separately on the north side of the pad. Topsoil along the access road will be reserved in place. The access road will enter the pad on the northwest side of the location as shown on Exhibit "E".

Exhibit "D" shows the wellsite cross-sections with the required amounts of cut and fill. Mud pits will be in at least 50% cut material.

10. Plans for Restoration of Surface:

a. Immediately upon completion of drilling, all trash and and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.

b. The operator or his contractor will contact the San Juan Resource Area Office in Monticello, Utah (801-587-2201), 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.

c. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

d. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.

e. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12" deep with the contour.

f. Water bars will be built as follows to control erosion.

Grade	Spacing
2%	Every 200 feet
2-4%	Every 100 feet
4-5%	Every 75 feet
5+%	Every 50 feet

g. Seed will be broadcast between October 1 and February 28 with the following prescription. A harrow or similar implement will be dragged over the area to assure seed cover.

2 lbs./acre Indian ricegrass (Oryzopsis hymenoides)
2 lbs./acre Crested wheatgrass (Agropyron desertorum)
1 lb/acre Fourwing saltbush (Atriplex canenscens)
1 lb/acre Cliffrose (Cowania mexicana)
1 lb/acre Wild sunflower (Helianthus annuus)

h. After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed area. The access will be blocked to prevent vehicular access.

i. The reserve pit and that portion of the location not needed for production or production facilities will be reclaimed as described above. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

11. Surface and Mineral Ownership

The present Lessees of Record of Federal Lease U-23521 in Sec. 26, T.36S, R.23E are Skyline Oil Company and Yates Petroleum. The leasehold acreage is federal with the surface administered by the BLM.

12. Other Information

The location and road will be along areas consisting of rock and wash material. Most of the areas to be disturbed have little soil development.

Vegetation includes Pinion Pine, Juniper, sagebrush, locoweed, and a few native grasses. Fauna consists of deer, rabbits, ground squirrels, lizards and assorted flying and crawling insects.

Grazing is the only surface use activity in the immediate area of the location.

No dwellings of any kind exist in the area. No archeological, historical or cultural sites are apparent. An archeological inspection report is included. If subsurface cultural or paleontological material is exposed during construction, work will stop immediately and the San Juan Resource Area Office contacted.

There will be no deviation from the proposed drilling program without prior approval from the District Manager. Safe drilling and operating practices will be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be supplied with an approved copy of the surface use plan.

Upon completion of drilling operations, the BLM's representative will be notified of production and/or restoration plans.

This permit will be valid for a period of one (1) year from date of approval. After permit termination, a new application will be filed for approval for any future operations.

Any production facilities will be painted a single, low gloss, pastel color that blends in with the surrounding soil, rock and/or vegation. Juniper Green color has been approved by the BLM for this application.

13. Lessee's or Operator's Representative

Skyline Oil Company's representatives are Messers: Michael D. Anderson, Reed G. Spjut or Clifford E. Selin, 1200 Mellon Financial Center, 1775 Sherman Street, Denver, Colorado 80203, telephone (303) 860-9031.

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that work associated with the operations proposed herein will be performed by Skyline Oil Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

October 9, 1984
Date

Michael D. Anderson
Michael D. Anderson
Staff Engineer

ARCHEOLOGICAL - ENVIRONMENTAL RESEARCH CORPORATION

P.O. Box 853 - Bountiful, Utah 84010

Tel.: 801 292-7061

September 21, 1984

Subject: Cultural Resource Evaluations of Proposed Well Locations in the Alkali Canyon Locality of San Juan County, Utah

Project: Skyline Oil Company, 1984 Drilling Program on Mustang Units 27-43, 26-33, 26-42, 26-44, and 22-43

Project No.: SKOC-84-4

Permit: Dept. of Interior 81-Ut-179
Utah State U-84-26-73b

To: ✓ Mr. Michael Anderson, Skyline Oil Company, 1200 Mellon Financial Center, 1775 Sherman Street, Denver, Colorado 80203

Mr. Ed Scherick, Area Manager, Bureau of Land Management, San Juan Resource Area, P.O. Box 1327, Monticello, Utah 84535

Info: Mr. Rich Fike, BLM State Archeologist, Bureau of Land Management, University Club Building, 136 East South Temple, Salt Lake City, Utah 84111

Antiquities Section, Division of State History, 300 Rio Grande, Salt Lake City, Utah 84101

Department of the Interior
Bureau of Land Management
Utah State Office

Summary Report of
pection for Cultural Resources

BLM Report ID No. [| | | - | | | | | | |] (1, 4, 10)

Report Acceptable Yes __ No __

Mitigation Acceptable Yes __ No __

Comments: _____

port Title [A|L|K|A|L|I| |C|A|N|Y|O|N| |W|E|L|L| |L|O|C|A|T|I|O|N|S] (11, 40)

velopment Company Skyline Oil Company, Mustang Units 27-43, 26-33, 26-42, 26-44 and 22-43

port Date [0|9| · |17| · |1|9|8|4] (41 42 MONTH, 43 YEAR, 46) 4. Antiquities Permit No. 81-Ut-179

sponsible Institution [A|E|R|C| |S|K|0|C|-|8|4|-|4] (47, 61) County San Juan

eldwork Location: TWN [3|6|S] (62, 65) Range [2|3|E] (66, 69) Section(s) [2|2] (70 71) [2|6] (72 73) [2|7] (74 75) [ ] (76 77)

TWN [ ] (78, 81) Range [ ] (82, 85) Section(s) [ ] (86 87) [ ] (88 89) [ ] (90 91) [ ] (92 93)

source Area [S|J] (110 111) TWN [ ] (94, 97) Range [ ] (98, 101) Section(s) [ ] (102 103) [ ] (104 105) [ ] (106 107) [ ] (108 109)

PO: PONY EXPRESS, BR: BEAR RIVER, PR: PRICE RIVER, WS: WARM SPRINGS
BC: BOOK CLIFFS, HR: HOUSE RANGE, SE: SEVIER RIVER,
HM: HENRY MOUNTAINS, BE: BEAVER RIVER, DX: DIXIE
KA: KANAB, ES: ESCALANTE, SJ: SAN JUAN, GR: GRAND
SR: SAN RAFAEL, DM: DIAMOND MOUNTAIN,

FHI in spaces 65, 69, 81, 85, 97, 101 Only
V: Vernal Meridian
H: Half Township

escription of Examination Procedures: The archeologist, F. R. Hauck, walked a series of 15 meter wide transects to cover the development area for each proposed well location. A 15 to 20 m. wide buffer zone around each location was also evaluated although it was difficult to ascertain the complete pad zone since only center stakes were present during the on-site inspection. Two 15 meter wide transects were walked along each proposed access route. Roads to be

Linear Miles Surveyed and/or [2] (112, 117)

Definable Acres Surveyed and/or [ ] (118, 123)

Legally Undefinable Acres Surveyed [1|0] (124, 129)

(* A parcel hard to cadastrally locate i.e., center of section)

10. Inventory Type [I] (130)

R: Reconnaissance
I: Intensive
S: Statistical Sample.

escription of Findings (attach appendices, if appropriate) 12. Number Sites Found: [2] (131) No sites = 0

Two newly identified cultural sites (42Sa16622 and 16623) were recorded during the evaluations. Site 931R/1 (42Sa16622) was found in the vicinity of Mustang 26-42 and that well 13, location was therefore moved about 32 meters to the south to facilitate avoidance of the prehistoric, significant BMIII single habitation structure. Site 931R/2 (42Sa16623) consists of a limited lithic scatter, possible campsite, situated outside the eastern periphery of Mustang 26-44. This site is not considered significant but can be preserved from disturbance by restricting the development of the well pad to the west side (over

Collection: [N] (136) Y=Yes, N

ctual/Potential National Register Properties Affected:

The National Register has been consulted and no registered properties will be affected by the developments. The Alkali Ridge Archeological District is outside the project area.

Literature Search, Location/Date: SHPO 9-11-84
Monticello Area Office 9-12-84

Conclusion/Recommendations:

AERC recommends that a cultural resource clearance be granted to Skyline Oil Company based upon adherence to the stipulations noted on the reverse:

F. R. Hauck

#8 cont.: upgraded fo access were examined on f t and from the vehicle. Mustang Unit No. 22-43 was found to be identical with Mustang Unit No. 4 which had been evaluated by AERC in June, 1982 (see report SKOC-82-7, dated 6-18-82). This location was therefore not reexamined by F. R. Hauck during the present on-site inspection.

#11 cont.: of several large trees which have been flagged in red.

In addition to the recording of these two newly identified sites, the archeologist examined the area adjacent to the proposed well locations to determine whether any known resource sites would be adversely affected by the development. The following known sites will not be disturbed by the developments:

42Sa11221 outside access road to No. 26-42
42Sa11167 well out of range of No. 26-42
42Sa11223 and 14048 are not in the vicinity of No. 26-33
42Sa14045 is well out of range of No. 27-43
42Sa 8753 was just outside the southern periphery of Unit 27-43 but will be avoided since location of 27-43 was shifted to the north about 45 meters.

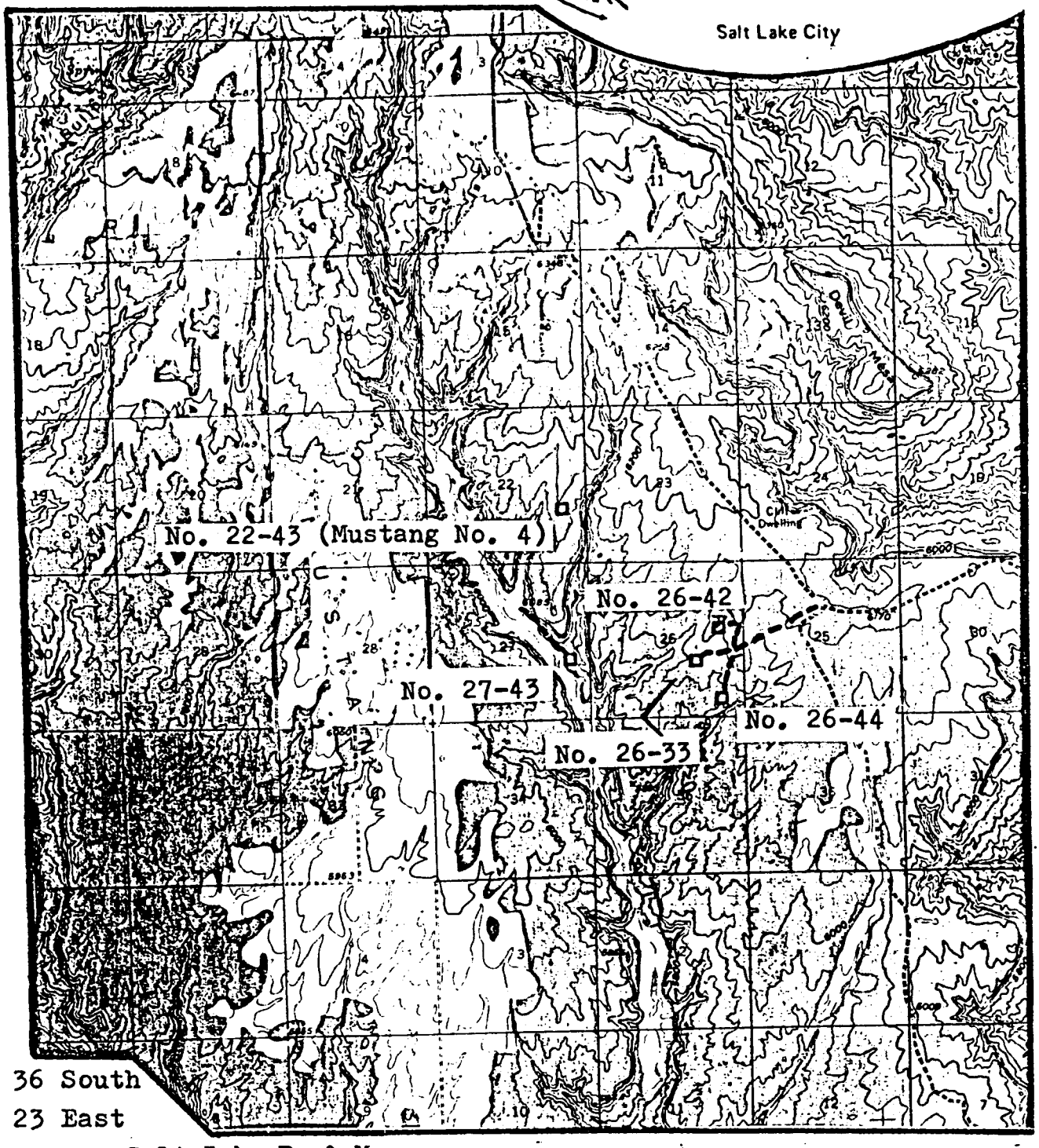
Sites 42Sa13710, 16593, and 14044 are adjacent to the access route to Unit 27-43. Site 42Sa16593, a recently recorded prehistoric ditch and site 42Sa13710, a habitation unit, will be crossed by the northern segment of the access road into Unit 27-43. These sites can be preserved by adherence to the stipulations given below and by placing a gravel road base on the access road in this locality. The western periphery of 42Sa14044 will also be crossed by the access route into Unit 27-43. Disruption of this site by vehicle traffic can be curtailed by having a gravel road base placed in the seismic road that crosses the site. Gravel bases should be from 1 to 1.5 feet in depth and well packed to adequately allow heavy traffic and eliminate any disturbance to these three sites by road grading activities.

16. CONTINUED:

1. All vehicular traffic, personnel movement, and construction be confined to the locations examined and to the evaluated access roads.
2. All personnel refrain from collecting artifacts or from disturbing any cultural resources in the area.
3. A qualified archeologist be consulted should cultural remains from subsurface deposits be exposed during construction work or if the need arises to relocate or otherwise alter the construction area.
4. A qualified archeologist should monitor the construction of the access road and well location for Mustang Unit No. 27-43.
5. A gravel road base should be laid over segments of the access route to No. 27-43 in order to preserve sites 42Sa13710, 16593, and 14044 from disturbance.

ARCHEOLOGICAL-ENVIRONMENTAL
RESEARCH CORPORATION

Salt Lake City



T. 36 South
R. 23 East
Meridian: Salt Lake B. & M.

Quad:
Blanding, Utah
15 minute-USGS

Project: SKOC-84-4
Series: San Juan
Date: 9-21-84

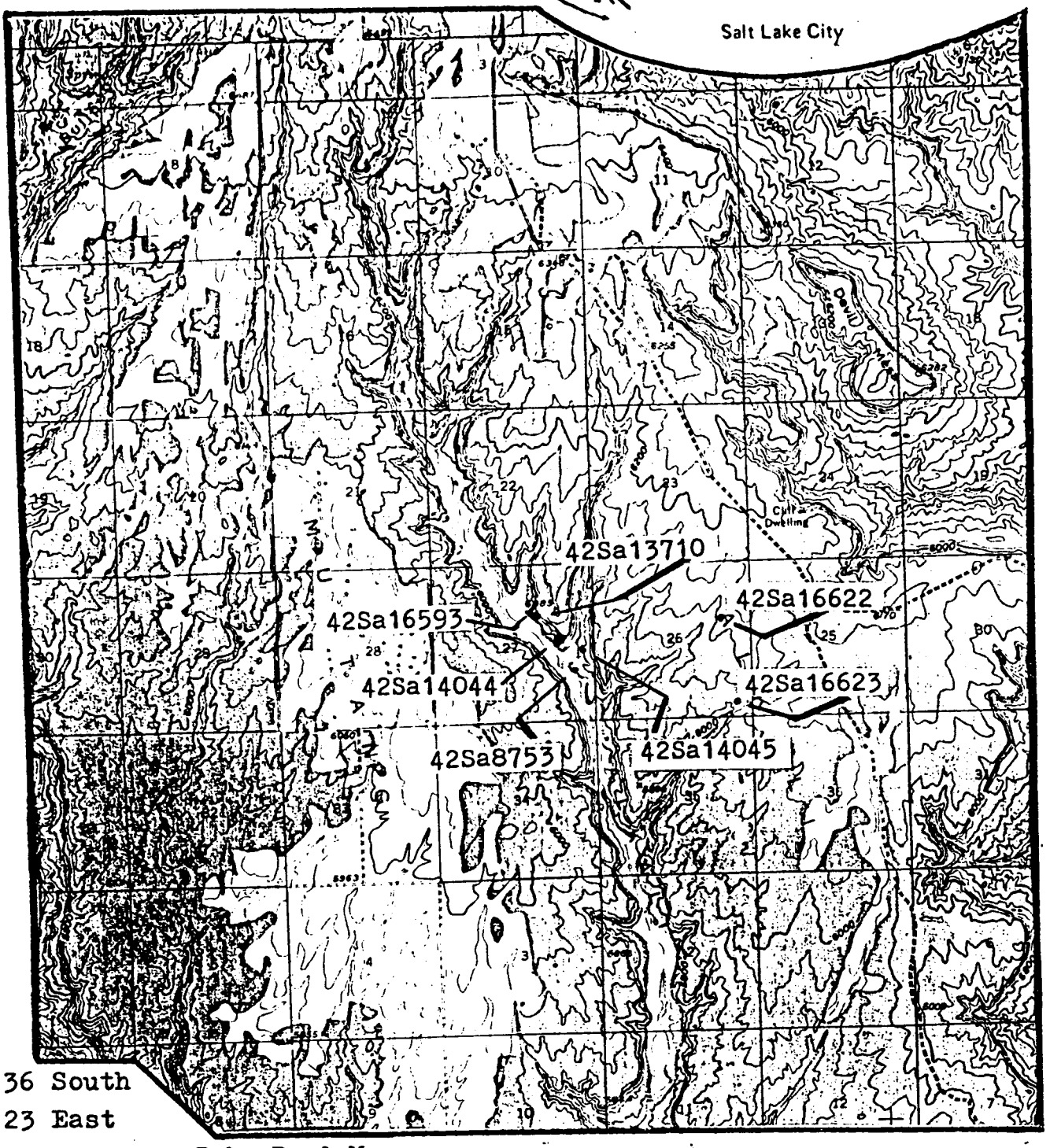
MAP 1
Cultural Resource Survey of Proposed Well Locations in the Alkali Canyon Area of San Juan County, Utah

Legend:
Well Location
Access Route

N

1" = 1 mile

ARCHEOLOGICAL-ENVIRONMENTAL
RESEARCH CORPORATION



T. 36 South
R. 23 East
Meridian: Salt Lake B. & M.

Quad:
Blanding, Utah
15 mimute-USGS

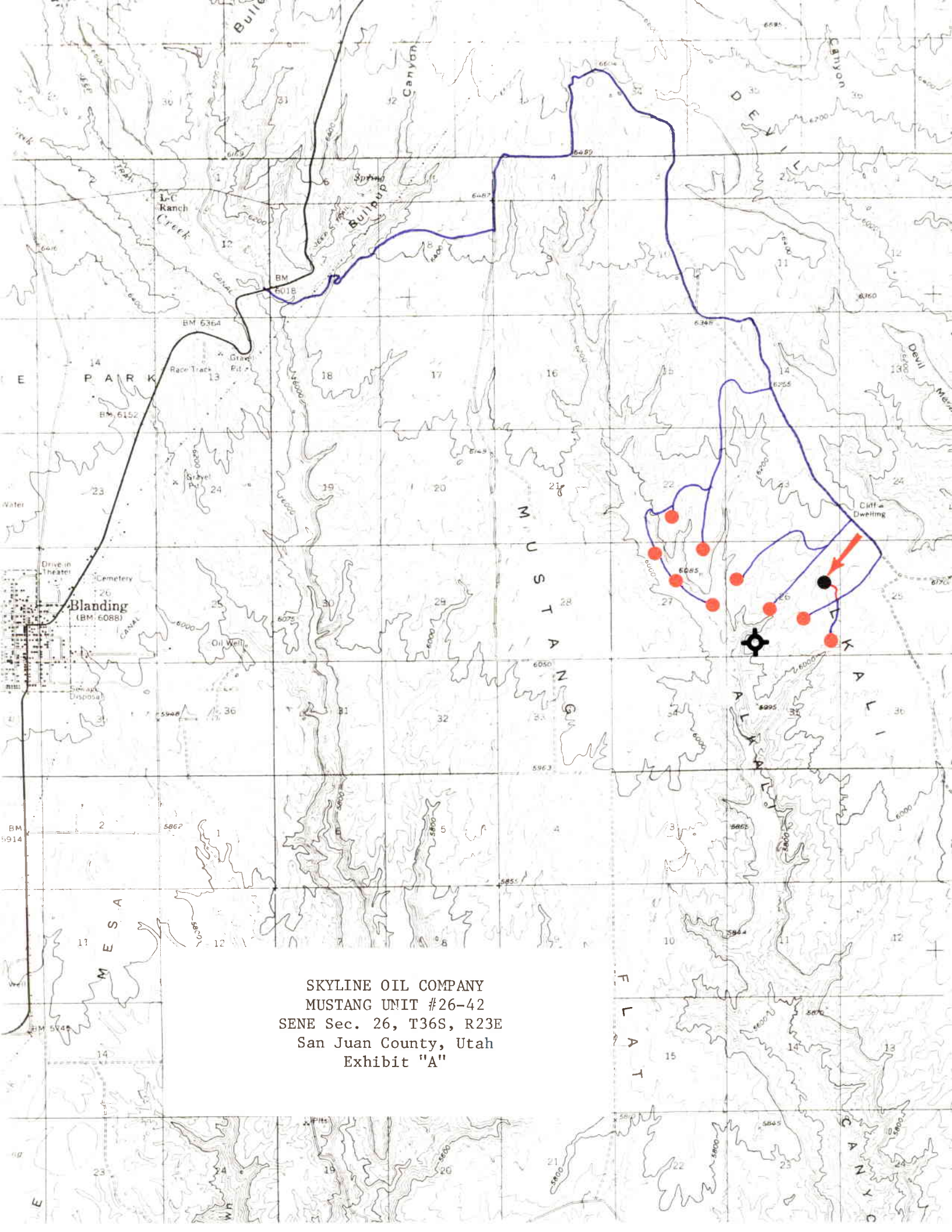
Project: SKOC-84-4
Series: San Juan
Date: 9-21-84

MAP 2
Cultural Resources in the Vicinities of Proposed Well Locations in the Alkali Canyon Locality

Legend:
Cultural Site •

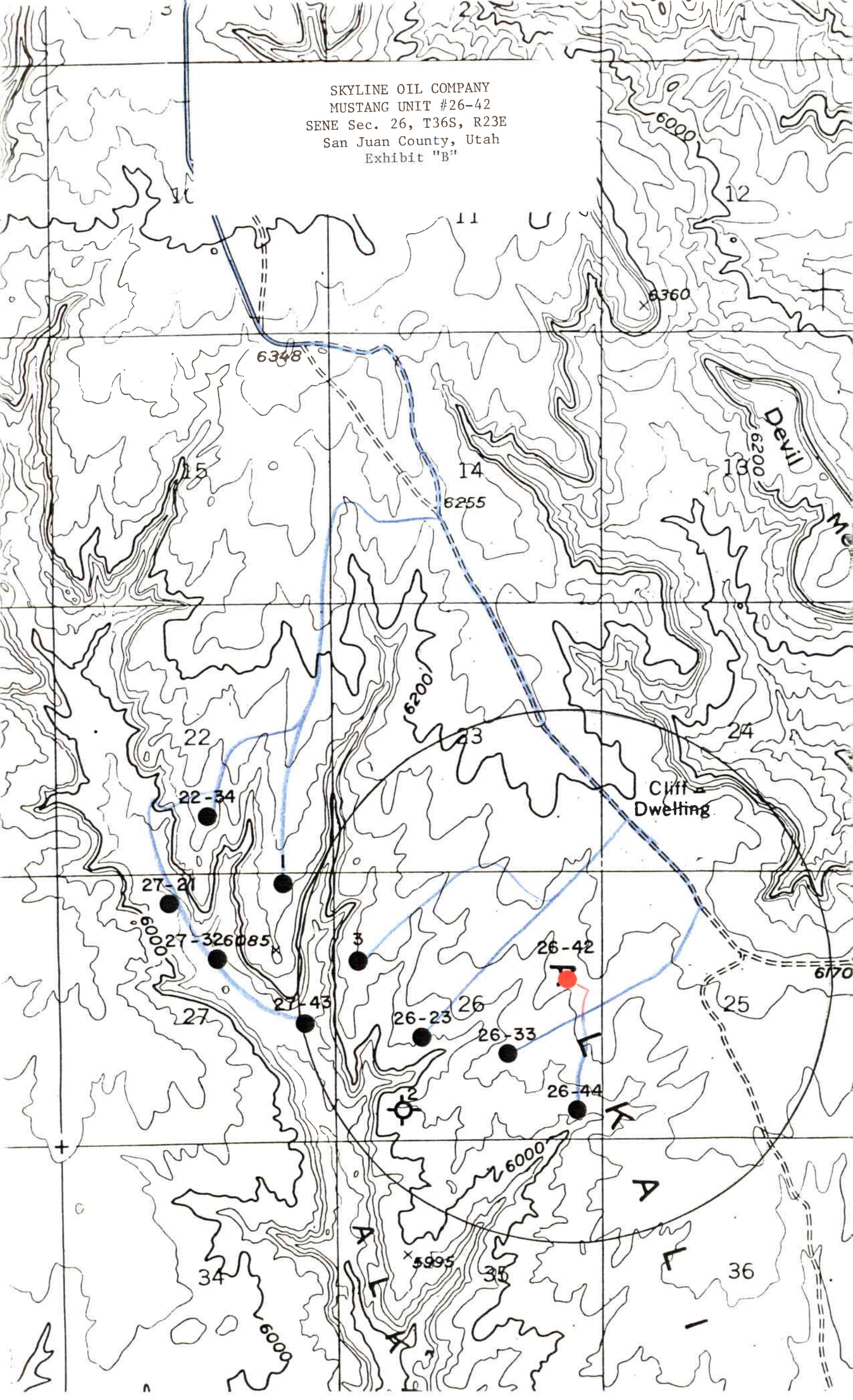
N

1" = 1 mile



SKYLINE OIL COMPANY
MUSTANG UNIT #26-42
SENE Sec. 26, T36S, R23E
San Juan County, Utah
Exhibit "A"

SKYLINE OIL COMPANY
MUSTANG UNIT #26-42
SENE Sec. 26, T36S, R23E
San Juan County, Utah
Exhibit "B"



SKYLINE OIL COMPANY

MUSTANG UNIT 26-42

PRODUCTION FACILITIES

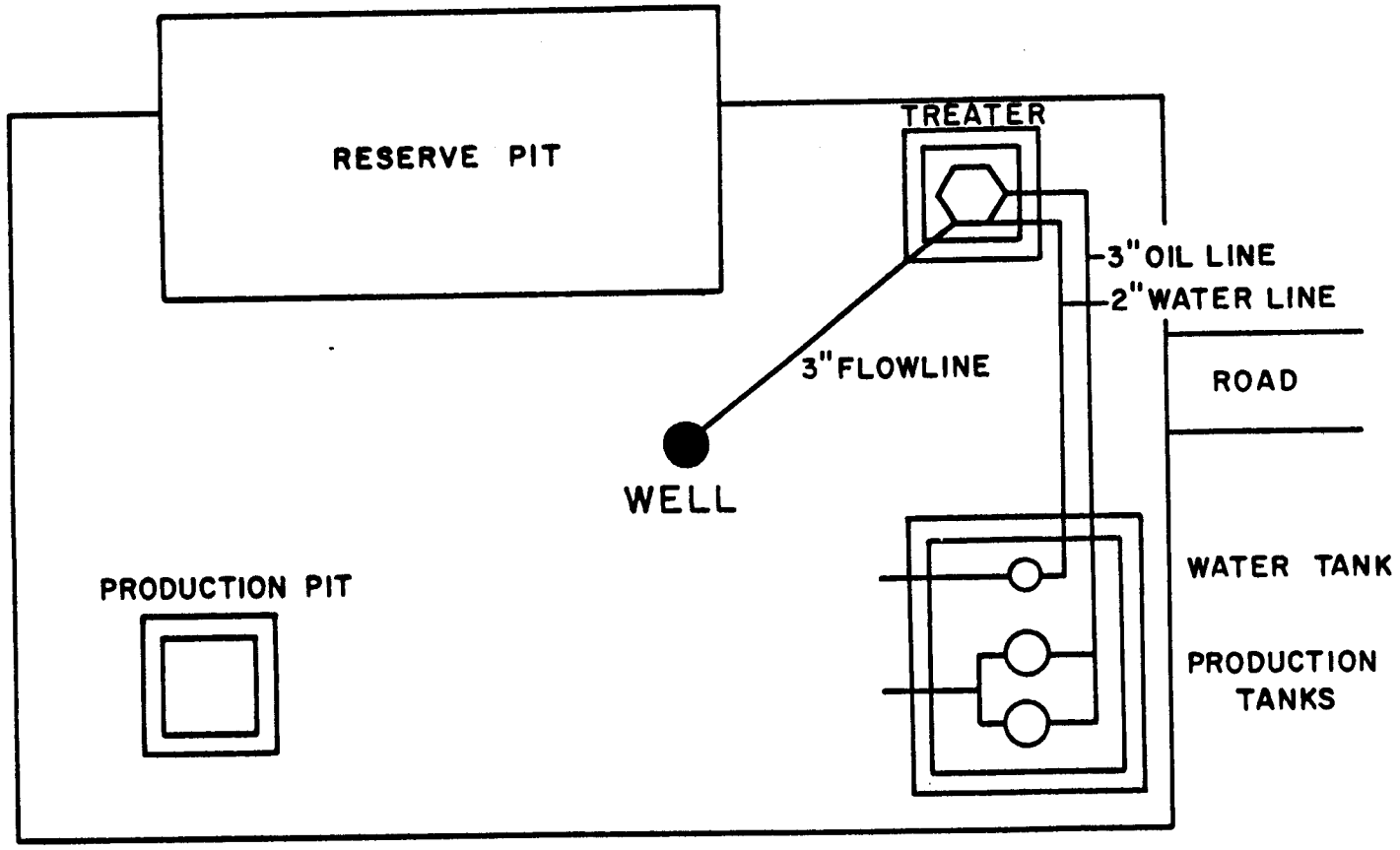
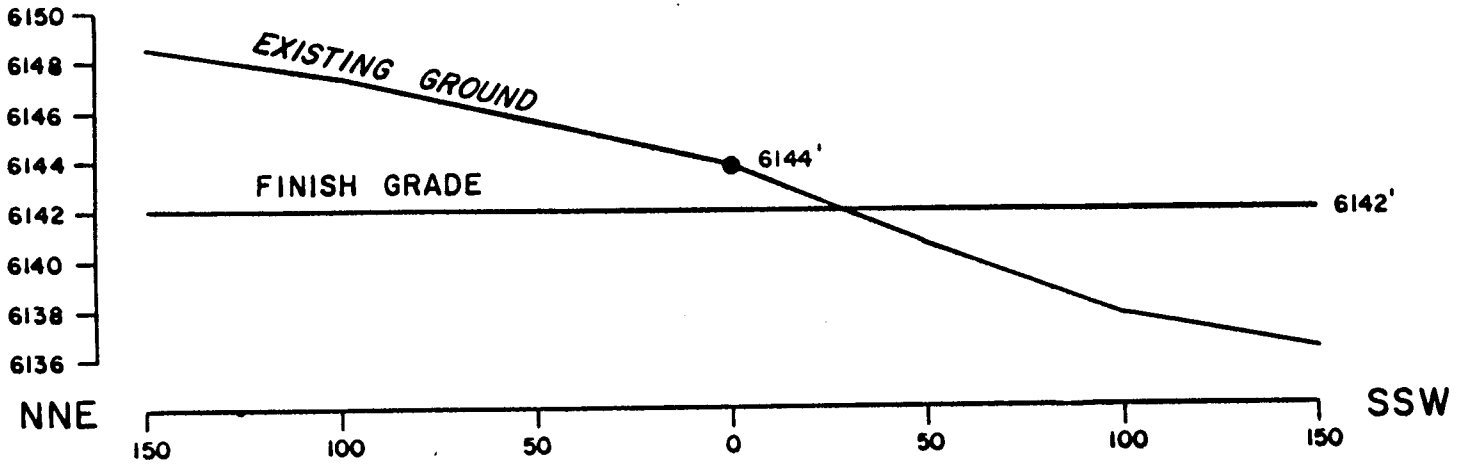


EXHIBIT "C"

SKYLINE OIL COMPANY

MUSTANG UNIT 26-42

CROSS SECTIONS



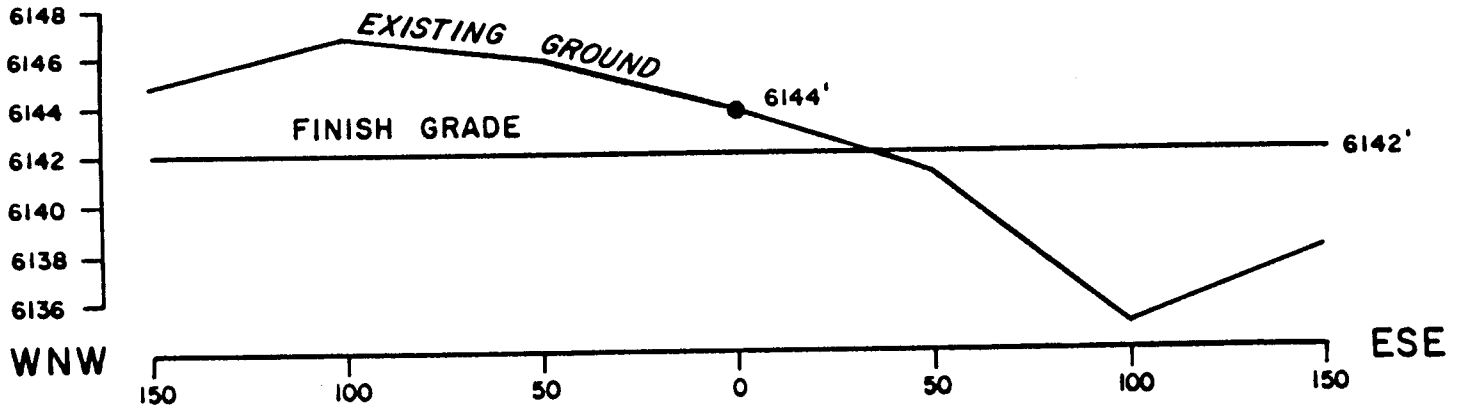


EXHIBIT "D"

SKYLINE OIL COMPANY

MUSTANG UNIT 26-42

DRILL SITE LAYOUT

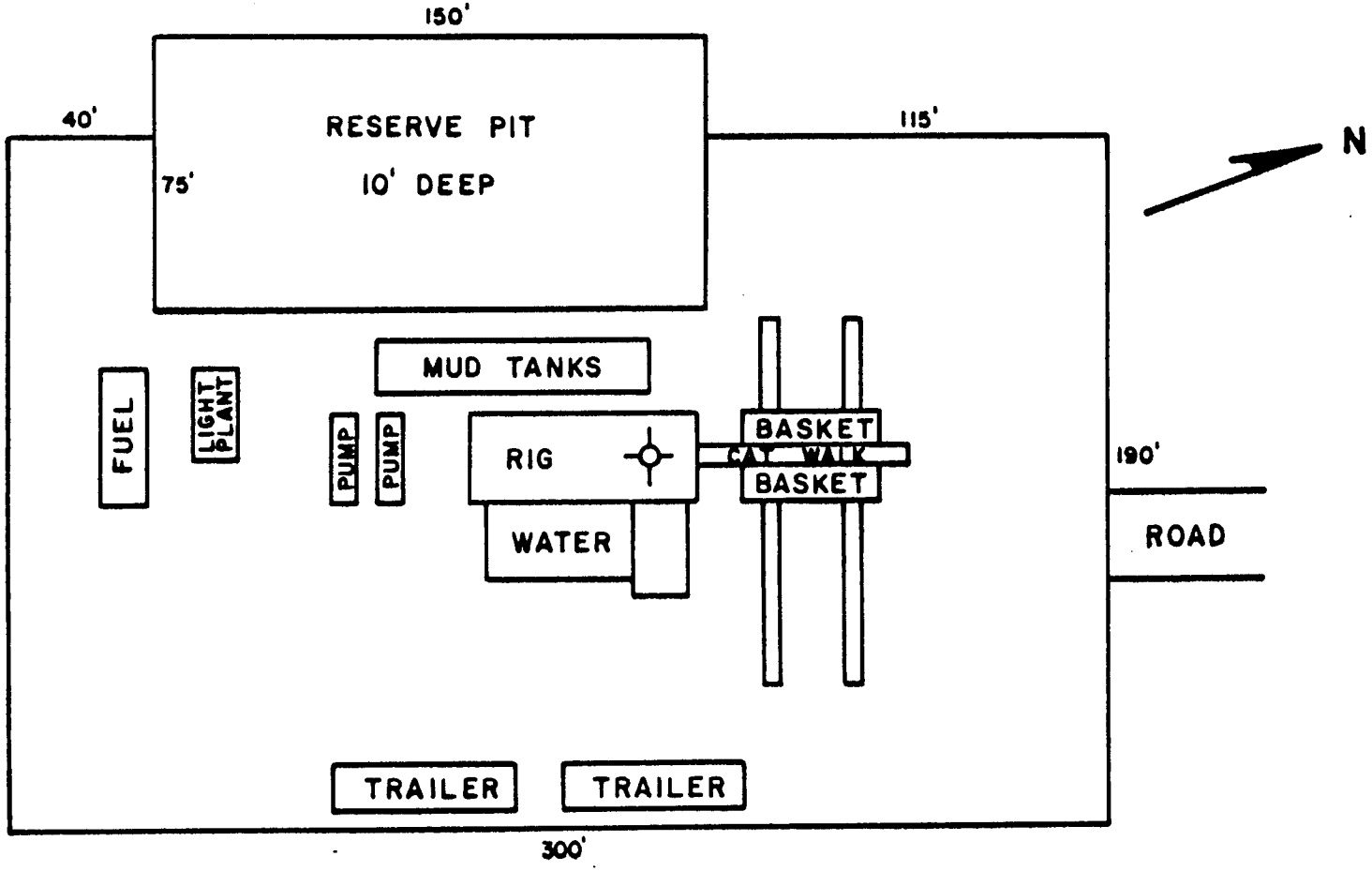


EXHIBIT "E"

OPERATOR Skyline Oil Co DATE 10-23-84

WELL NAME Mustang Unit #22-43

SEC NESE 22 T 36S R 23E COUNTY San Juan

43-037-31109
API NUMBER

Fed.
TYPE OF LEASE

POSTING CHECK OFF:

☐ INDEX	☐ HL	☐
☐ NID	☐ PI	☐
☐ MAP	☐	☐

PROCESSING COMMENTS:
Unit Well — P.O.D approved 11/14/84
Water ↖

APPROVAL LETTER:

SPACING: ☑ A-3 Mustang Unit (UNIT) ☐ c-3-a _____ (CAUSE NO. & DATE)

☐ c-3-b ☐ c-3-c

~~SPECIAL LANGUAGE~~: STIPULATIONS

- [x] RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.
- [x] AUTHENTICATE LEASE AND OPERATOR INFORMATION
- [x] VERIFY ADEQUATE AND PROPER BONDING
- [x] AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.
- [ ] APPLY SPACING CONSIDERATION
  - [ ] ORDER _____
  - [x] UNIT Mustang
  - [ ] c-3-b
  - [ ] c-3-c
- [ ] CHECK DISTANCE TO NEAREST WELL.
- [ ] CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.
- [x] IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER
- [/] IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.

REC'D MOO OCT 12 1984

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: U-23521

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME: Mustang

2. NAME OF OPERATOR: Skyline Oil Company

8. FARM OR LEASE NAME: Mustang Unit

3. ADDRESS OF OPERATOR: 1775 Sherman St., Suite 1200, Denver, CO 80203

9. WELL NO.: 22-43

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1690' FSL & 637' FEL (NE SE) Sec. 22,T.36S.,R.23E.
At proposed prod. zone: Same

10. FIELD AND POOL, OR WILDCAT: Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 22, T.36S., R.23E., SLB&M

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 6 miles east of Blanding, Utah

12. COUNTY OR PARISH: ~~Emery~~ San Juan — 13. STATE: Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
637	1520	80
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
1880	6650'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): Original Ground Level - 6186'

22. APPROX. DATE WORK WILL START*: January 20, 1985

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
18"	14"	Tinhorn	50'	6 yds. Redi-Mix
12¼"	9-5/8"	36#	2300'	800 sx.
8-3/4"	5½"	15.50#	6650'	500 sx.

See attached 10-Point Plan and Multipoint Surface Use and Operations Plan for additional information.

RECEIVED
NOV 19 1984
DIVISION OF OIL GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.
SIGNED Michael D. Anderson TITLE ~~Staff Engineer~~ DATE 10-9-84

(This space for Federal or State office use)

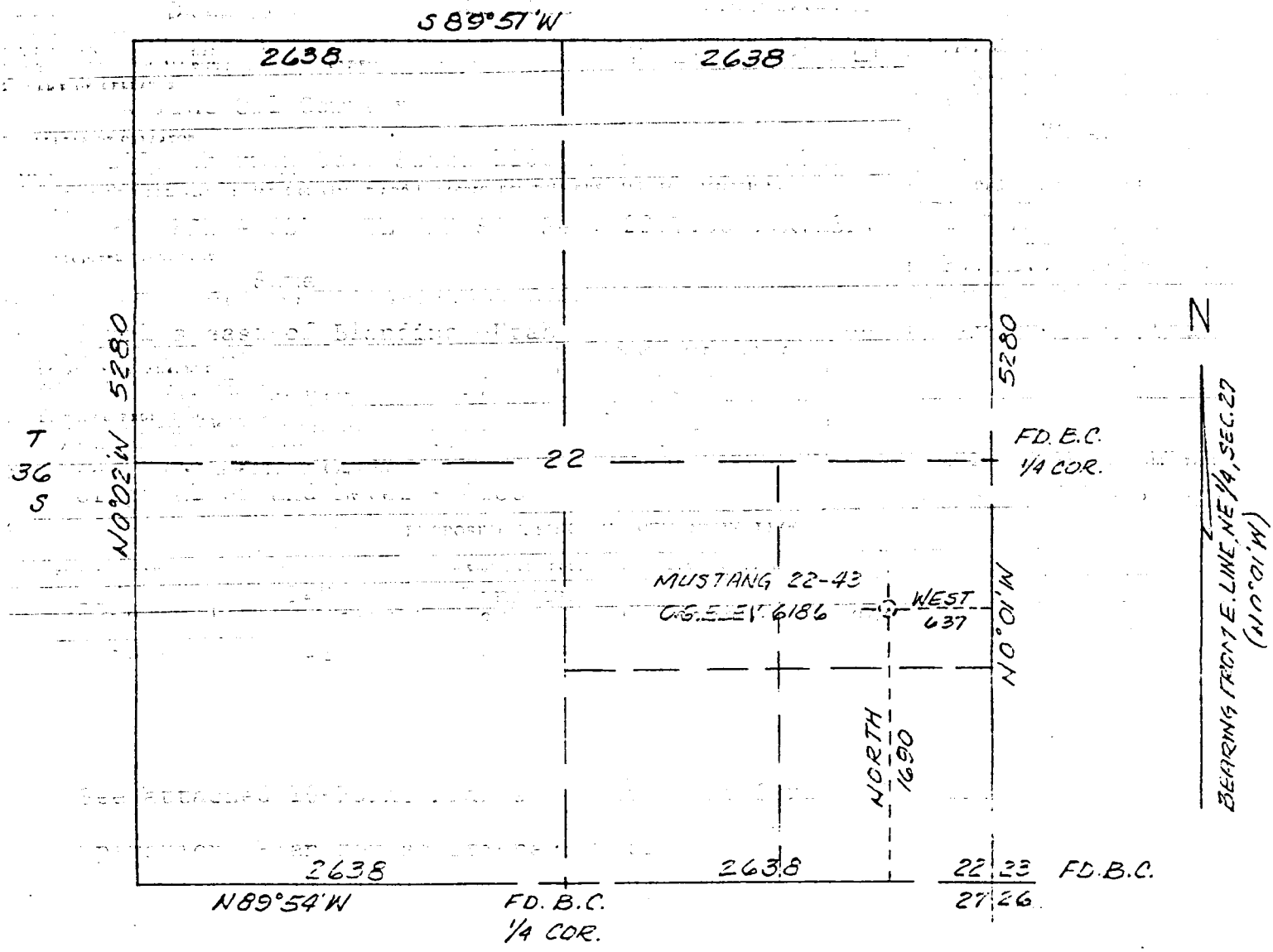
PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Kenneth V. Rhea Acting TITLE DISTRICT MANAGER DATE 10-16-84

CONDITIONS OF APPROVAL, IF ANY:
FLARING OR VENTING OF GAS IS SUBJECT OF NTL 4-A DATED 1/1/80

NOTICE OF APPROVAL

*See Instructions On Reverse Side



SEC. BOUNDARY CALLS ARE RECORD G.L.O. TWP. PLAT

WELL LOCATION PLAT OF
MUSTANG 22-43 IN
NE 1/4 SE 1/4, SEC 22, T36S, R23E, S.L.B.&M.
SAN JUAN COUNTY, UTAH
TRANSIT & E.D.M. SURVEY
FOR: TEXAS EASTERN OIL CO.
SCALE: 1" = 1000' JUNE 14, 1982
& SEPT 13, 1984

ELEV. BY VER. ANGLES FROM
U.S.G.S. TOPO. QUAD. "ELANDING, UTAH"
1957 (E 1/4 COR, SEC. 27: 6000)

UTAH R.L.S. No. 1963

ONSITE

DATE: September 13, 1984

PARTICIPANTS: TITLES:

Your contact with the District Office is: Robert (Bob) Graff, Petroleum Engineer

Office Phone: 801-259-6111 Ext 216 Home Phone: 801-259-6088
Address: 82 East Dogwood, P.O. Box 970
City: Moab State: Utah 84532

Resource Area Manager's address and contacts are: San Juan Resource Area

Address: 480 South First West, P.O. Box 7, Monticello, Utah 84535

Your contact is: Rich McClure

Office Phone: 801-587-2201
Home Phone: 801-587-2874

DECISION RECORD AND
FINDING OF NO SIGNIFICANT IMPACT

REC'D MDO OCT 19 1984

I. PROJECT IDENTIFICATION

EA No. UT-069-85-10X
Operator Skyline Oil Company
Project Location T. 36 S., R. 23 E., Sec. 22: NE¼SE¼
Submittal Date:

Project Type: Oil & Gas Drilling
Lease No. U-23521
Other Info. Mustang Unit 22-43 Well
Field Insp. Date: 9/13/84

II. DECISION RECORD

A. Decision:

I concur with approval of the Application for Permit to Drill.

B. Rationale:

The surface use plan of the APD will prevent significant impacts to the environment.

C. Environmental Considerations:

See II. B.

D. STIPULATIONS:

None

III. FINDING OF NO SIGNIFICANT IMPACT
(Does not apply to Categorical Exclusions)

Based on the ananlysis of potential environmental impacts contained in this Environmental Assessment, I have determined that impacts are not expected to be significant. Therefore an Environmental Impact Statement is not required.

Edward K. Shea
Area Manager

10/18/84
Date

File Code: _____

RECORD OF CATEGORICAL EXCLUSION (CX) DETERMINATION

Project: Mustang Unit 22-43 Well EA No. UT-069-85-10X

Applicant: Skyline Oil Company Project Location: T. 36 S., R. 23 E., Sec. 22: NE¼SE¼

CX Number From ~~516 DM 2, App. 1 (5/11/84) or~~ 516 DM 6, App. 5.4 (9/26/83) D. (2) (f)

BLM Office: San Juan R. A. Phone No.: 587-2201

Description of the Proposed Action: Construct 1.5 acre drilling location and 200 yards access road; Drill, produce and/or abandon.

1. SUMMARY OF FINDINGS:

The proposed action is categorically excluded from Environmental Assessment (EA) or Environmental Impact statement (EIS) preparation under 516 DM 6, Appendix 2 or Appendix 5. The proposed action has been reviewed against the nine criteria for an exception to a Categorical Exclusion (CX), as identified in 516 DM 2.3 A(3). The proposed action does not fall under any exception, and is, therefore, categorically excluded from further assessment.

2. DOCUMENTATION OF CX EXCEPTIONS:

The proposed action would not create adverse environmental effects under the CX exceptions, unless as noted. The proposed action may:

Yes	No	CX Exception
[ ]	[X]	1. Have significant adverse effects on public health or safety.
[ ]	[X]	2. Have adverse effects on such unique geographic characteristics as historic or cultural resources, park, recreation or refuge lands, wilderness areas, wild or scenic rivers, sole or principal drinking water aquifers, prime farmlands, wetlands, floodplains, or ecologically significant or critical areas, including those listed on the Department's National Register of Natural Landmarks.
[ ]	[X]	3. Have highly controversial environmental effects.
[ ]	[X]	4. Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.
[ ]	[X]	5. Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.
[ ]	[X]	6. Be directly related to other actions with individually insignificant but cumulatively significant environmental effects.
[ ]	[X]	7. Have adverse effects on properties listed or eligible for listing on the National Register of Historic Places.
[ ]	[X]	8. Have adverse effects on species listed or proposed to be listed on the List of Endangered or Threatened Species, or have adverse effects on designated Critical Habitat for these species.
[ ]	[X]	9. Require compliance with Executive Order 11988 (Floodplain Management), Executive Order 11990 (Protection of Wetlands), or the Fish and Wildlife Coordination Act.
[ ]	[X]	10. Threaten to violate a Federal, State, local or tribal law or requirement imposed for the protection of the environment.

3. DOCUMENTATION OF RECOMMENDED MITIGATION

For any item checked "Yes", can the impacts be mitigated by the proposed stipulations/mitigating measures? If not, the conditions for a categorical exclusion cannot be met.

Item No.	Can Be Mitigated	Cannot Be Mitigated	Mitigation Reference

4. CX DETERMINATION

The proposed action has been determined to meet the criteria for a categorical exclusion. The action as mitigated does not fall under any of the exceptions to a categorical exclusion.

Richard McClure — Natural Res. Spec. — 10/19/84

Prepared By — Title — Date

Form 3160-5
(November 1983)
(Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

5. LEASE DESIGNATION AND SERIAL NO.: U-23521

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1. OIL WELL [X] GAS WELL [ ] OTHER

7. UNIT AGREEMENT NAME: Mustang

2. NAME OF OPERATOR: Texas Eastern Skyline Oil Company

8. FARM OR LEASE NAME: Mustang Unit

3. ADDRESS OF OPERATOR: 1775 Sherman, Suite 1200, Denver, CO 80203

9. WELL NO.: 22-43

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface: 1690' FSL & 637' FEL (NE SE) Sec. 22, T36S, R23E

10. FIELD AND POOL, OR WILDCAT: Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec 22, T36S, R23E, SLB & M

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.): OGL-6186'

12. COUNTY OR PARISH: San Juan

13. STATE: Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
TEST WATER SHUT-OFF	[ ]	PULL OR ALTER CASING	[ ]	WATER SHUT-OFF	[ ]	REPAIRING WELL	[ ]
FRACTURE TREAT	[ ]	MULTIPLE COMPLETE	[ ]	FRACTURE TREATMENT	[ ]	ALTERING CASING	[ ]
SHOOT OR ACIDIZE	[ ]	ABANDON*	[ ]	SHOOTING OR ACIDIZING	[ ]	ABANDONMENT*	[ ]
REPAIR WELL	[ ]	CHANGE PLANE	[X]	(Other)			
(Other)				(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)			

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Texas Eastern Skyline Oil Company respectfully requests the following changes be made to the approved Application for Permit to Drill:

A. Change the BOP diagram to that configuration shown on the attached diagram.

B. Change item 5 of Attachment "A" to read, "and test BOP to 1,000psi" instead of "and test BOP to 2,000 psi".

RECEIVED
NOV 23 1984
DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED Michael D. Anderson TITLE Staff Engineer DATE 11/20/84

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

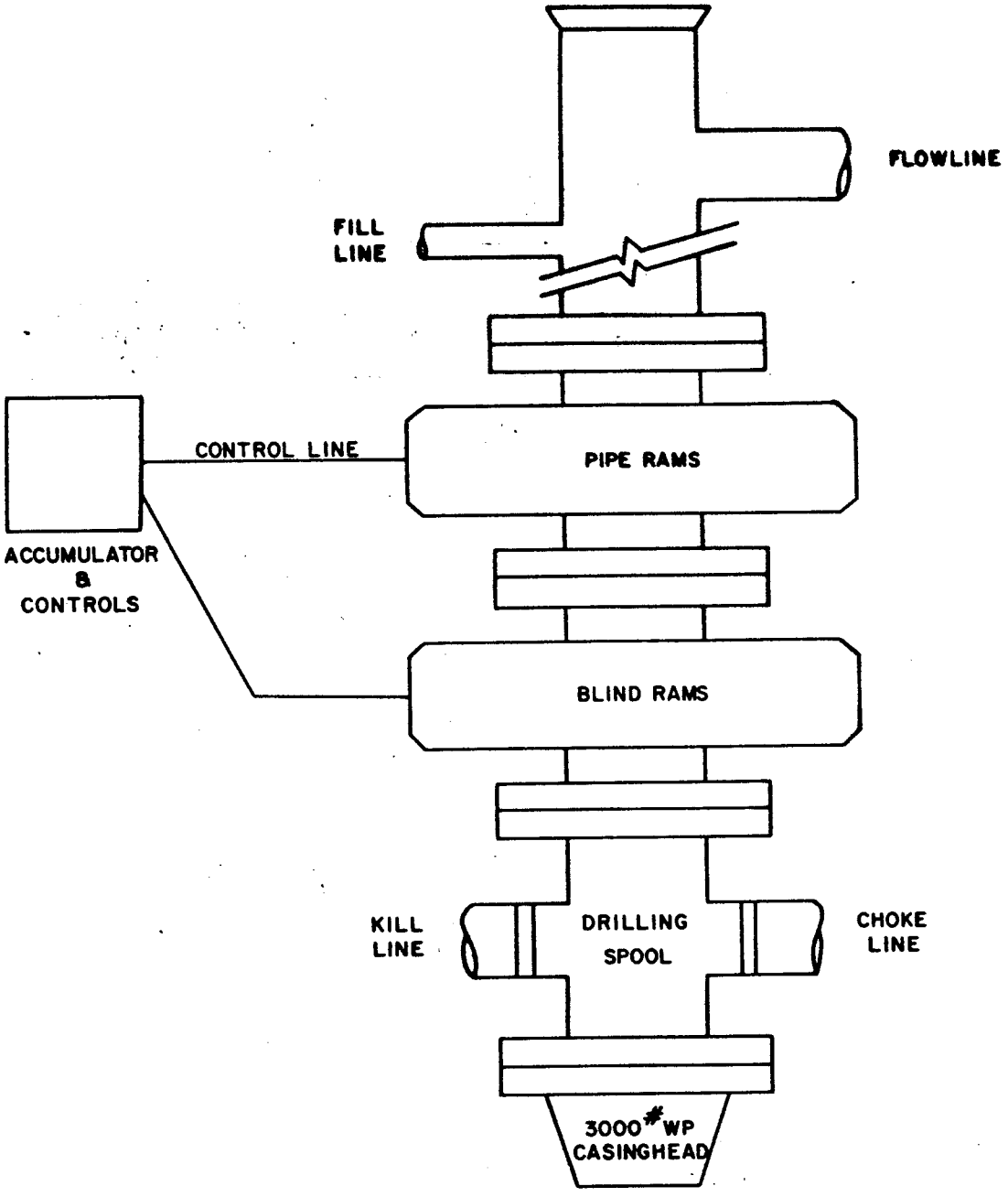
Federal approval of this action is required before commencing operations.

ACCEPTED ~~APPROVED~~ BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 11/23/84
BY: John R. Baza

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SKYLINE OIL COMPANY



BLOWOUT PREVENTER SCHEMATIC

3000 psi WORKING PRESSURE

Form 3 (Rev. 10-70)

RECEIVED
OCT 11 1984
WATER RIGHTS

TEMPORARY

Application No. 60393
09-1393

APPLICATION TO APPROPRIATE WATER
STATE OF UTAH

NOTE.—The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be made on the following page under the heading "Explanatory."

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

1. Irrigation ☐ Domestic ☐ Stockwatering ☐ Municipal ☐ Power ☐ Mining ☐ Other Uses XX

2. The name of the applicant is Skyline Oil Company

3. The Post Office address of the applicant is 1775 Sherman, Suite 1200, Denver, CO 80203

4. The quantity of water to be appropriated -- ~~second-foot and/or~~ 20 acre-feet

5. The water is to be used for Oil well drilling (Major Purpose) from 10 (Month) 1 (Day) to 9 (Month) 30 (Day) 85

other use period (Minor Purpose) from (Month) (Day) to (Month) (Day)

and stored each year (if stored) from (Month) (Day) to (Month) (Day)

RECEIVED
NOV 28 1984
DIVISION OF
OIL, GAS & MINING

6. The drainage area to which the direct source of supply belongs is (Leave Blank)

7. The direct source of supply is* Recapture Creek (Name of stream or other source)

which is tributary to San Juan River, tributary to Colorado River

*Note.—Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first space, giving its name, if named, and in the remaining spaces, designate the stream channels to which it is tributary, even though the water may sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being diverted, the direct source should be designated as a stream and not a spring.

8. The point of diversion from the source is in San Juan County, situated at a point* NE¼ SE¼ SE¼ Sec. 12, T36S, R22E

*Note.—The point of diversion must be located definitely by course and distance or by giving the distances north or south, and east or west with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if at a greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

9. The diverting and carrying works will consist of transfer to water hauling truck and moved to drilling site by truck.

10. If water is to be stored, give capacity of reservoir in acre-feet NA height of dam ____ area inundated in acres ____ legal subdivision of area inundated ____

11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows:
NA

Total ____ Acres

12. Is the land owned by the applicant? Yes ____ No X If "No," explain on page 2.

13. Is this water to be used supplementally with other water rights? Yes ____ No X
If "yes," identify other water rights on page 2.

14. If application is for power purposes, describe type of plant, size and rated capacity. NA

15. If application is for mining, the water will be used in NA Mining District at the ____ mine, where the following ores are mined ____

16. If application is for stockwatering purposes, number and kind of stock watered NA

17. If application is for domestic purposes, number of persons NA, or families ____

18. If application is for municipal purposes, name of municipality NA

19. If application is for other uses, include general description of proposed uses to be used as drilling fluid in oil and gas exploration

20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. Sections 22, 26 & 27, Township 36 South, Range 23 East SLB&M, San Juan County, Utah

21. The use of water as set forth in this application will consume 20 ~~second-foot and/or~~ acre-feet of water and 0 ~~second-foot and/or~~ acre feet will be returned to the natural stream or source at a point described as follows:

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

Water is to be used as drilling fluid for Petroleum Exploration.

Drill sites for use of water are located on federally owned land administered by the Bureau of Land Management.

Skyline Oil Company has an agreement with Mr. Norman Johnson of the San Juan Cattleman's Association for use of water from Recapture Creek.

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

Signature of Applicant*

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF ~~UTAH~~ COLORADO }
County of Denver } ss

On the 9th day of October, 1984, personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires: August 12, 1987

(SEAL)

Notary Public
Twyla K. Schwieger
1775 Sherman Street, Suite 1200
Denver, Colorado 80203

FEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH

Flow rate — c.f.s.	Cost	
0.0 to 0.1	$ 15.00	
over 0.1 to 0.5	30.00	
over 0.5 to 1.0	45.00	
over 1.0 to 15.0	45.00	plus $7.50 for each cfs above the first cubic foot per second.
over 15.0	150.00	
Storage — acre-feet		
0 to 20	22.50	
over 20 to 500	45.00	
over 500 to 7500	45.00	plus $7.50 for each 500 a.f. above the first 500 acre feet.
over 7500	150.00	

(This section is not to be filled in by applicant)

STATE ENGINEER'S ENDORSEMENTS

1. 10/11/84 Application received (by mail / over counter) in State Engineer's office by CC
2. Priority of Application brought down to, on account of
3. 10-11-84 Application fee, $15.00, received by ~~CC~~ JH Rec. No. 16737
4. Application microfilmed by Roll No.
5. 10-16-84 Indexed by am Platted by
6. Application examined by
7. Application returned, or corrected by office
8. Corrected Application resubmitted (by mail / over counter) to State Engineer's office.
9. Application approved for advertisement by
10. Notice to water users prepared by
11. Publication began; was completed
    Notice published in
12. Proof slips checked by
13. Application protested by
14. Publisher paid by M.E.V. No.
15. Hearing held by
16. Field examination by
17. 11/7/84 Application designated for (approval / ~~rejection~~) SG & MP
18. 11/21/84 Application copied or photostated by slm proofread by
19. 11/21/84 Application (approved / ~~rejected~~)
20. **Conditions:**

    This Application is approved, subject to prior rights, as follows:

    a. Actual construction work shall be diligently prosecuted to completion.

    b. Proof of Appropriation shall be submitted to the State Engineer's office by NPR

    c. TEMPORARY APPROVAL -- EXPIRES September 30, 1985.

    Dee C. Hansen

    Dee C. Hansen, P.E., State Engineer

21. Time for making Proof of Appropriation extended to
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No. , issued

Application No. 60393

STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

November 29, 1984

Skyline Oil Company
1775 Sherman Street, Suite 1200
Denver, Colorado 80203

Gentlemen:

Re: Well No. Mustang Unit #22-43 - NE SE Sec. 22, T. 36S, R. 23E
1690' FSL, 637' FEL - San Juan County, Utah

Approval to drill the above referenced oil well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule A-3, General Rules and Regulations and Rules of Practice and Procedure.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.

2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.

3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.

4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31109.

Sincerely,

R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals

Form 3160-5
(November 1983)
(Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.: U-23521

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

7. UNIT AGREEMENT NAME: Mustang

OIL WELL [X] GAS WELL [ ] OTHER

2. NAME OF OPERATOR: Texas Eastern Skyline Oil Company

8. FARM OR LEASE NAME: Mustang Unit

3. ADDRESS OF OPERATOR: 1775 Sherman, Suite 1200, Denver, Colorado 80203

9. WELL NO.: 22-43

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface

1690' FSL & 637' FEL (NE SE) Sec. 22, T36S, R23E

10. FIELD AND POOL, OR WILDCAT: Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec 22, T36S, R23E SLB&M

14. PERMIT NO.: API #43-037-31109

15. ELEVATIONS (Show whether DF, RT, GR, etc.): OGL-6186'

12. COUNTY OR PARISH: San Juan

13. STATE: Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
TEST WATER SHUT-OFF	[ ]	PULL OR ALTER CASING	[ ]	WATER SHUT-OFF	[ ]	REPAIRING WELL	[ ]
FRACTURE TREAT	[ ]	MULTIPLE COMPLETE	[ ]	FRACTURE TREATMENT	[ ]	ALTERING CASING	[ ]
SHOOT OR ACIDIZE	[ ]	ABANDON*	[ ]	SHOOTING OR ACIDIZING	[ ]	ABANDONMENT*	[X]
REPAIR WELL	[ ]	CHANGE PLANS	[ ]	(Other) Spud			
(Other)				(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)			

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Preset 110' 16" conductor cemented with 100 sacks Class "B". RU Young #5. Spudded well @ 1:00 a.m. 12-13-84. Drilled 12 1/4" hole to 2210'. Ran 58 jts 9 5/8" 36# K-55 STC casing to 2210'. Cemented with 470 sacks Lite and 200 sacks Class "B". Displaced with 168 BW. Plud down at 10:30 p.m. 12-14-84. Circ 25 sacks cement to surface. Cemented top of 9 5/8" backside with 125 sacks Class "B". Installed 3000# casinghead and BOP's, test all to 1000 psi - OK. Pressure test 9 5/8" casing to 1000 psi - OK. Drill ahead with 8 3/4" bit.

RECEIVED
DEC 24 1984
DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED Michael D. Anderson TITLE Staff Engineer DATE 12-20-84

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

GEOLOGICAL WELL REPORT

TEXAS EASTERN SKYLINE OIL CO.

Mustang Unit # 22-43
Sec. 22, T 36 S - R 23 E
San Juan Co. Utah

By: B. F. Latch
Jan. 6, 1985

TEXAS EASTERN SKYLINE OIL CO.
Mustang # 22-43
Sec. 22, T 36 S - R 23 E
San Juan Co. Utah

GENERAL OPERATIONS

The drilling of this well was undertaken using rotary tools. Fresh water and a chemically treated gel mud were used as the circulating medium.

In order to protect fresh water aquifers and to insure against drilling problems, a protective string of 9-5/8" casing was set at a depth of 2203'. This is sufficient casing to cover all fresh water aquifers recognized in the area. Sufficient cement was run to circulate to the surface.

All drilling objectives were accomplished with a minimal amount of operational problems. At no time did situations arise that constituted an undue danger to either the drilling equipment or the personnel involved in the drilling operation.

EVALUATION

GEOLOGICAL SUPERVISION:

This well was under constant geological supervision from a depth of 4800' until the total depth of 6550' was reached.

SAMPLES:

Ten foot samples were caught from a depth of 4500' to

the total depth of 6550'. Sample quality was fair to good. All samples were caught and microscopically examined while drilling was in progress.

MUD LOGGING:

A one man mud logging unit was utilized from a depth of 4800' until the total depth was reached. This unit was equipped with both a hot wire and a chromatograph for hydrocarbon analysis.

Several shows were encountered during the drilling of the well but none were associated with sufficient porosity and were of proper magnitude to warrant a drill stem test in the eyes of the well site geologist.

CORES:

It was planned to core the upper Ismay pay zone in this well. This was accomplished with the cutting of two cores.

CORE # 1, 6181-6241 CUT 60' RECOVERED 58'.

CORE # 2, 6020-6078 CUT 60' RECOVERED 44'.

Lack of shows in the Ismay section prompted the cutting of an additional core in the Desert Creek zone to evaluate shows encountered in the Mustang # 1, well that failed to produce at a satisfactory rate after completion attempts were made.

CORE # 3, 6437-6497 cut 60' recovered 58'.

These cores were properly preserved and sent to Core Laboratories in Farmington, New Mexico for analysis. Detailed lithologic descriptions of these cores are appended to the

accompanying sample log.

DRILL STEM TESTS:

Although examination of the cores and cuttings revealed no zones deemed worthy of testing, examination of the electric logs did reveal two seperate zones that warranted further evaluation.

The first of these was an abnormally high porosity zone in the Desert Creek from 6502 - 6508. This zone was believed to be a stringer of salt by the well site geologist but the previous strong shows in this zone dictated further evaluation.

The second zone from 6302 - 6330 was observed in an abnormal 50' thickening of the upper Ismay. This zone displayed some fair porosity and calculated to be possibly oil productive.

Drill stem test procedures were subsequently set up at the well site for these two zones.

Results of these tests are not known to the writer at this time. It having been deemed prudent to leave the conduct of these tests in the hands of the drilling department.

ELECTRICAL LOGGING:

Upon reaching a total depth of 6550', the following logs were run by Schlumberger.

DIL-SFL w GR	2207-6533
BHC SONIC w GR & CALIPER	4500-6500
CNL-FDC w GR & CALIPER	4500-6533
PROXIMITY MICRO LOG	4500-6533
CYBERLOOK	4500-6520

Evaluation of these logs revealed two additional zones of interest and confirmed the sample and mud log analysis of the other prospective zones.

CONCLUSIONS

Evaluation of all information available indicated this well to have potential economic value in the surprising lower part of the upper Ismay zone.

The cores indicate that there is a large decrease in the porosity of the upper Ismay zone, caused by the increase in anhydrite and salt filled porosity in these wells on the northern flank of the field.

These now established conditions should be taken into consideration when plans for additional development wells in this direction are made.

RECOMMENDATIONS

This test occupies a structural position that is essentially flat with the highest producing well in the field but displays inferior reservoir conditions in the pay zones.

It is deemed advisable to await the outcome of the recommended drill stem tests before reaching final conclusions regarding the running of casing and a completion attempt being made.

IMPORTANT LOG TOPS

AGE	FORMATION	DEPTH	DATUM
Jurassic	Bluff	1010	+5188
" "	Summerville	1178	+5020
" "	Entrada	1220	+4978
" "	Carmel	????	+????
" "	Navajo	????	+????
" "	Kayenta	1708	+4490
" "	Wingate	1740	+4458
Triassic	Chinle	2220	+3978
" "	Shinarump	2788	+3410
Permian	Moenkopi	2920	+3278
" "	Cutler	3082	+3116
Pennsylvanian	Hermosa	4780	+1418
" " "	Ismay (upper)	6176	+ 22
" " "	Ismay (lower)	6375	- 177
" " "	Desert Creek	6452	- 254
" " "	Akah	6528	- 330

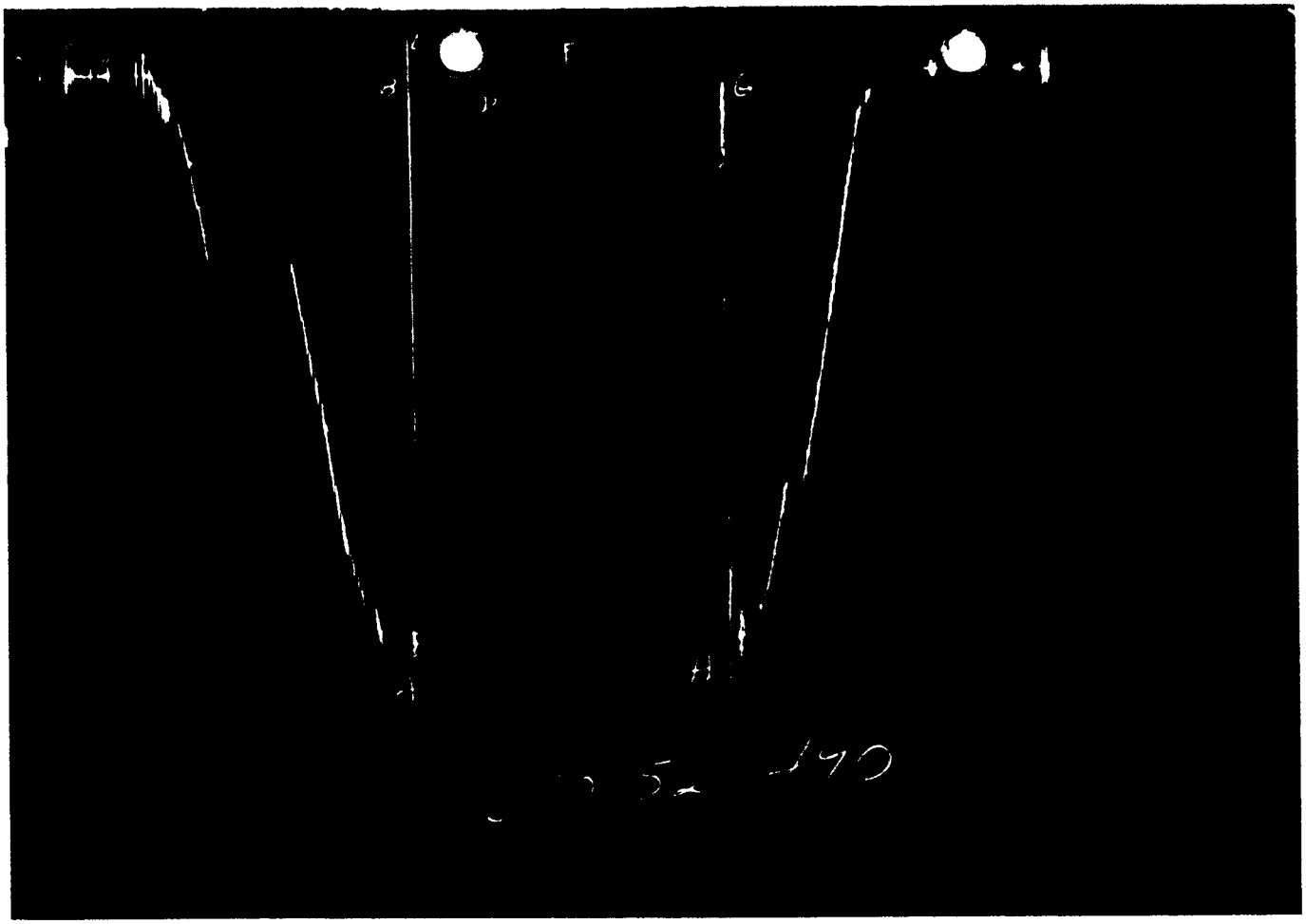
****

HALLIBURTON
SERVICES

TICKET NO. 67075200
07-JAN-85
VERNAL

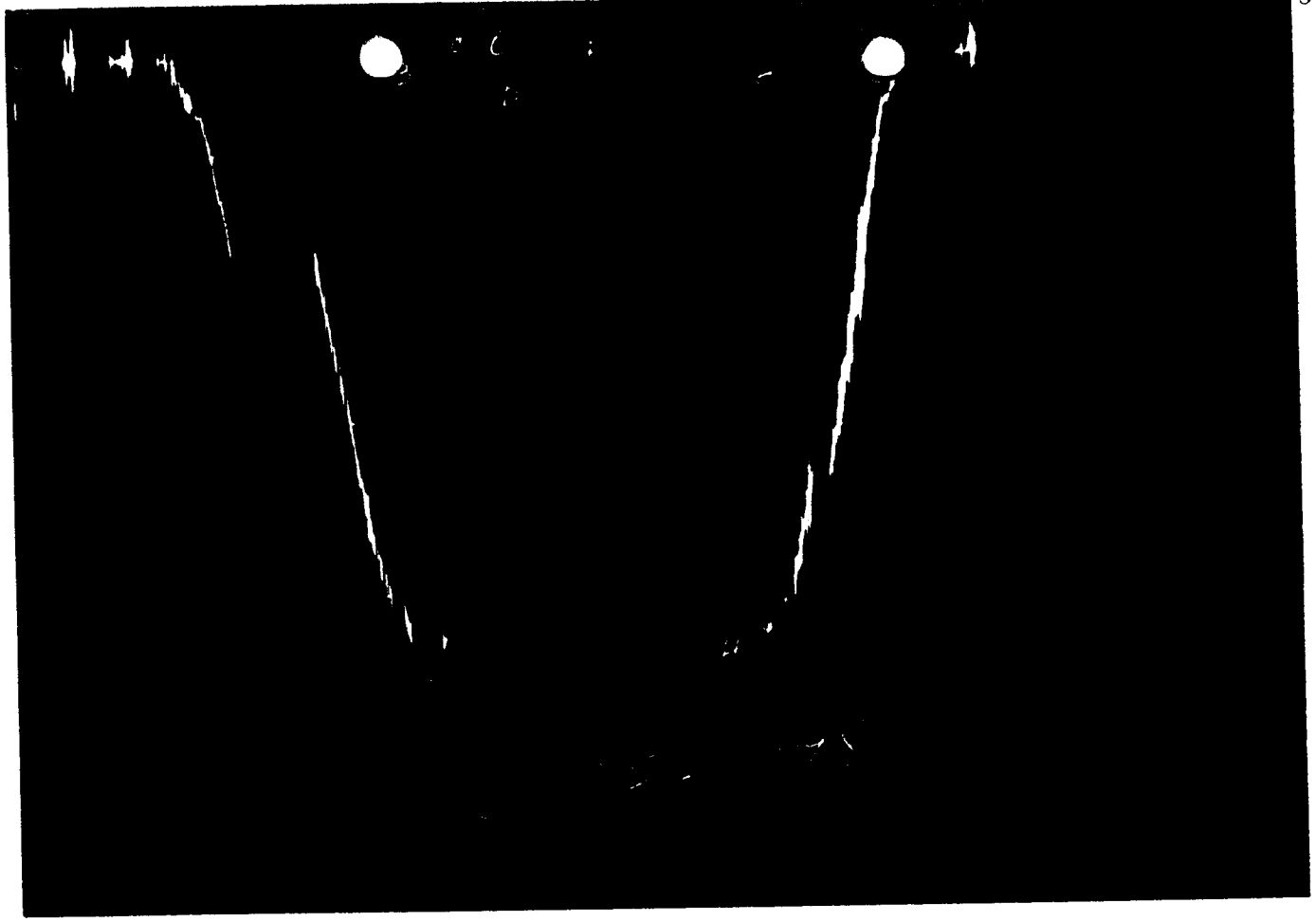
FORMATION TESTING SERVICE REPORT

MUSTANG	22-43	1	6472.' - 6540.'	SKYLINE OIL COMPANY	
LEASE NAME	WELL NO.	TEST NO.	TESTED INTERVAL	LEASE OWNER/COMPANY NAME	
LEGAL LOCATION SEC. - TWP. - RNG.		FIELD AREA	COUNTY	STATE	
22-36S-23E		MUSTANG FLAT	SAN JUAN	UTAH	IC



GAUGE NO: 490 DEPTH: 6445.7 BLANKED OFF: NO HOUR OF CLOCK: 24

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	3022	3029.5			
B	INITIAL FIRST FLOW	40	39.9	33.0	33.0	F
C	FINAL FIRST FLOW	40	36.9			
C	INITIAL FIRST CLOSED-IN	40	36.9	60.0	60.0	C
D	FINAL FIRST CLOSED-IN	80	79.3			
E	INITIAL SECOND FLOW	40	46.6	90.0	90.0	F
F	FINAL SECOND FLOW	40	42.2			
F	INITIAL SECOND CLOSED-IN	40	42.2	186.0	186.0	C
G	FINAL SECOND CLOSED-IN	80	77.4			
H	FINAL HYDROSTATIC	3022	3020.9			



GAUGE NO: 198 DEPTH: 6537.0 BLANKED OFF: YES HOUR OF CLOCK: 24

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	3083	3075.3			
B	INITIAL FIRST FLOW	80	85.5	33.0	33.0	F
C	FINAL FIRST FLOW	80	78.5			
C	INITIAL FIRST CLOSED-IN	80	78.5	60.0	60.0	C
D	FINAL FIRST CLOSED-IN	133	120.9			
E	INITIAL SECOND FLOW	106	89.7	90.0	90.0	F
F	FINAL SECOND FLOW	106	84.1			
F	INITIAL SECOND CLOSED-IN	106	84.1	186.0	186.0	C
G	FINAL SECOND CLOSED-IN	133	119.0			
H	FINAL HYDROSTATIC	3083	3065.7			

TYPE & SIZE MEASURING DEVICE: LT-20 MANIFOLD | TICKET NO: 67075200

TIME	CHOKE SIZE	SURFACE PRESSURE PSI	GAS RATE MCF	LIQUID RATE BPD	REMARKS
1-1-85					
2040					ON LOCATION
2310					PICKED UP TOOLS
1-2-85					
0030					TRIPPED IN HOLE WITH TOOLS
0623					OPENED TOOL THROUGH BUBBLE HOSE
0628	.125	1 OZ.			HAD 1/2" BLOW IN WATER
0633	.125	1.5 OZ.			
0638	.125	1.5 OZ.			REMAINED SAME UNTIL TOOL CLOSED
0656					CLOSED TOOL
0756	.125				OPENED TOOL
0801					1/8" BLOW THROUGH BUBBLE HOSE
					IN WATER-SAME UNTIL 0821
0821					TOO SMALL TO MEASURE-SAME UNTIL
					0841
0841					BLOW DEAD-SAME UNTIL 0926
0926					CLOSED TOOL
1232					BYPASS OPENED
1600					DRAINED SAMPLER
1610					DRESSED DCIP AND HYDROSPRING-
					RIGGED UP FOR DST #2

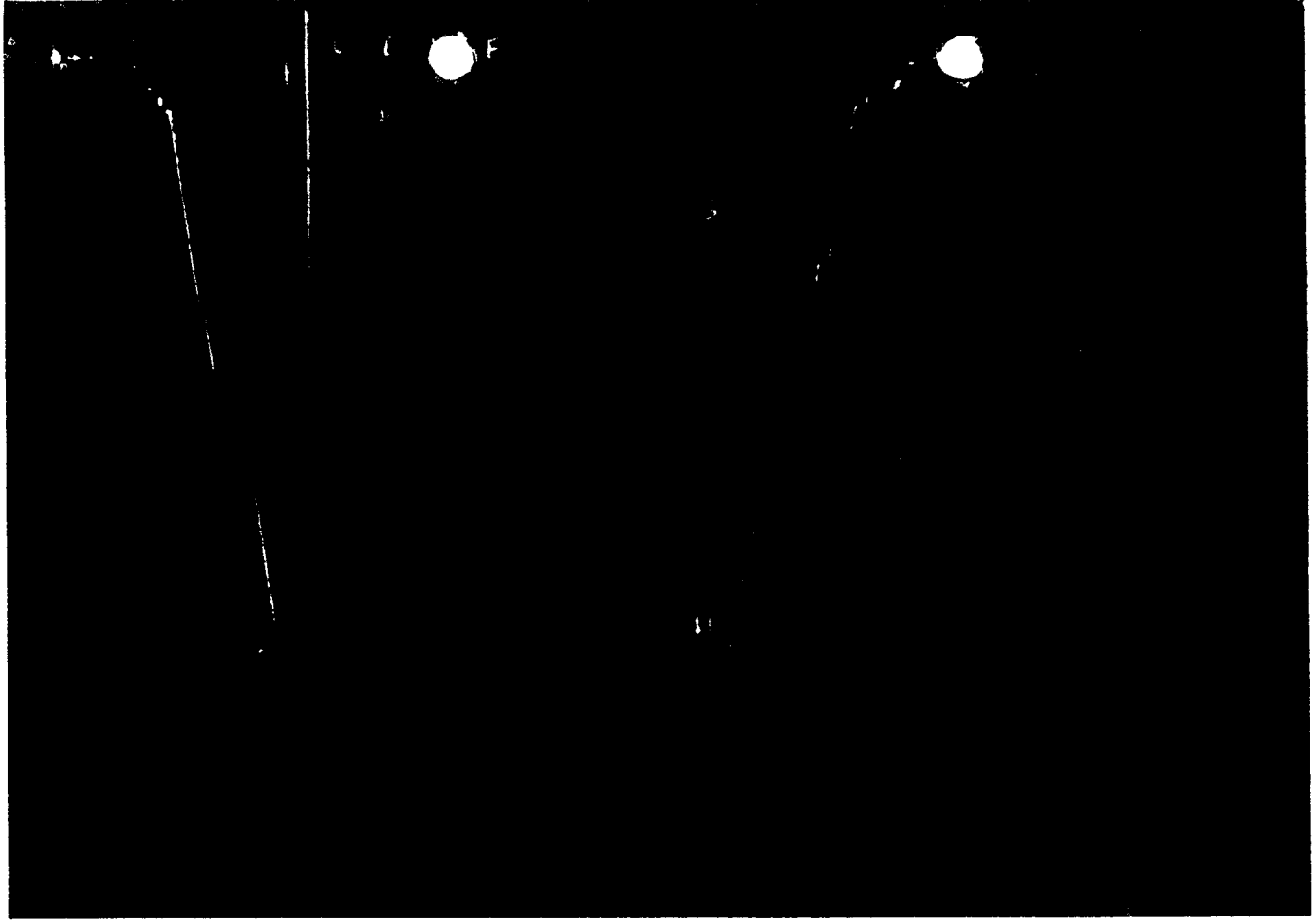
HALLIBURTON
SERVICES

TICKET NO. 67075400
11-JAN-85
VERNAL

FORMATION TESTING SERVICE REPORT

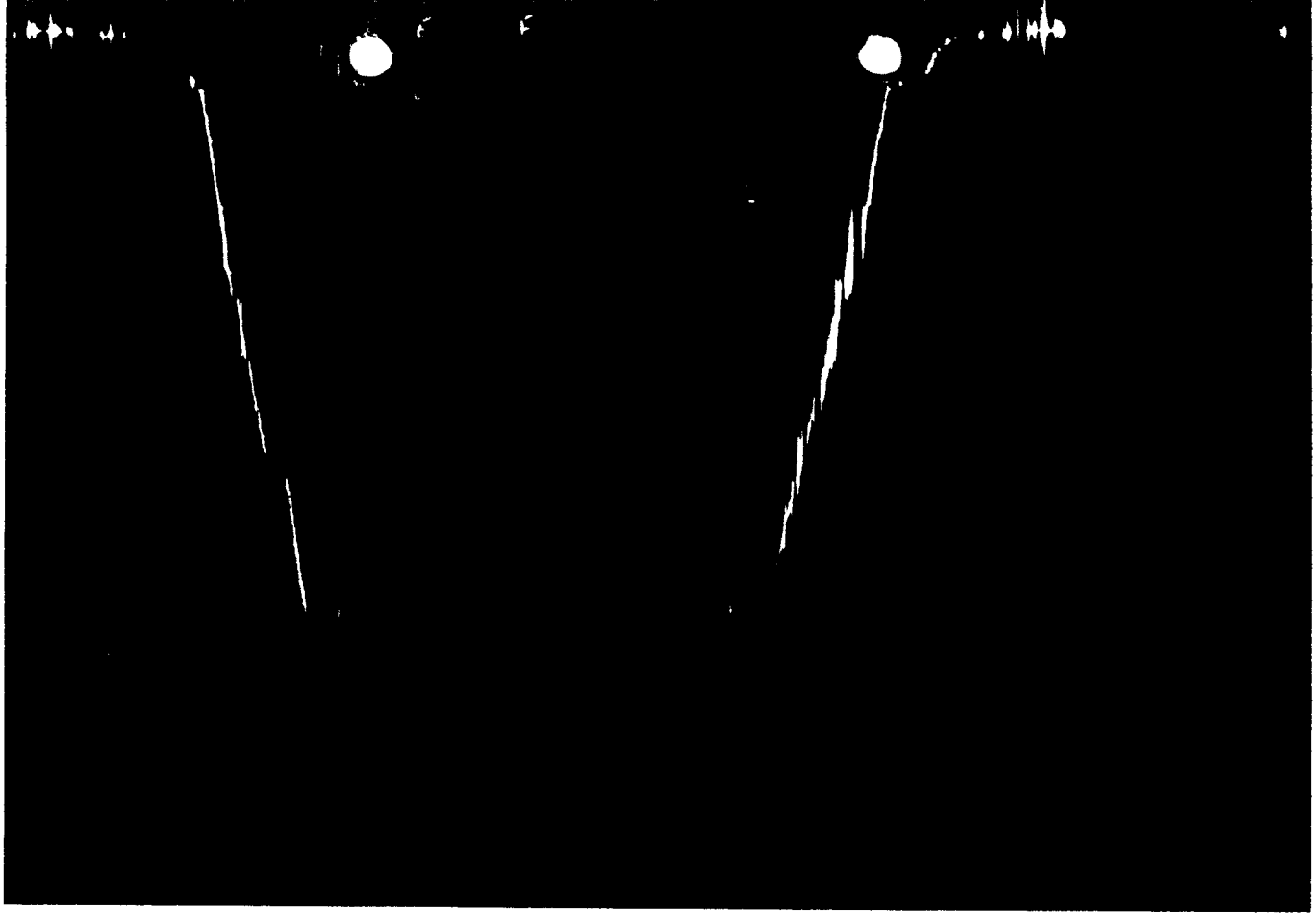
MUSTANG	22-43	3	6290.' - 6340.'	SKYLINE OIL COMPANY
LEASE NAME	WELL NO.	TEST NO.	TESTED INTERVAL	LEASE OWNER/COMPANY NAME

LEGAL LOCATION SEC. - TWP. - RNG.	FIELD AREA	COUNTY	STATE
22-36S-23E	MUSTANG FLAT	SAN JUAN	UTAH BG-OR



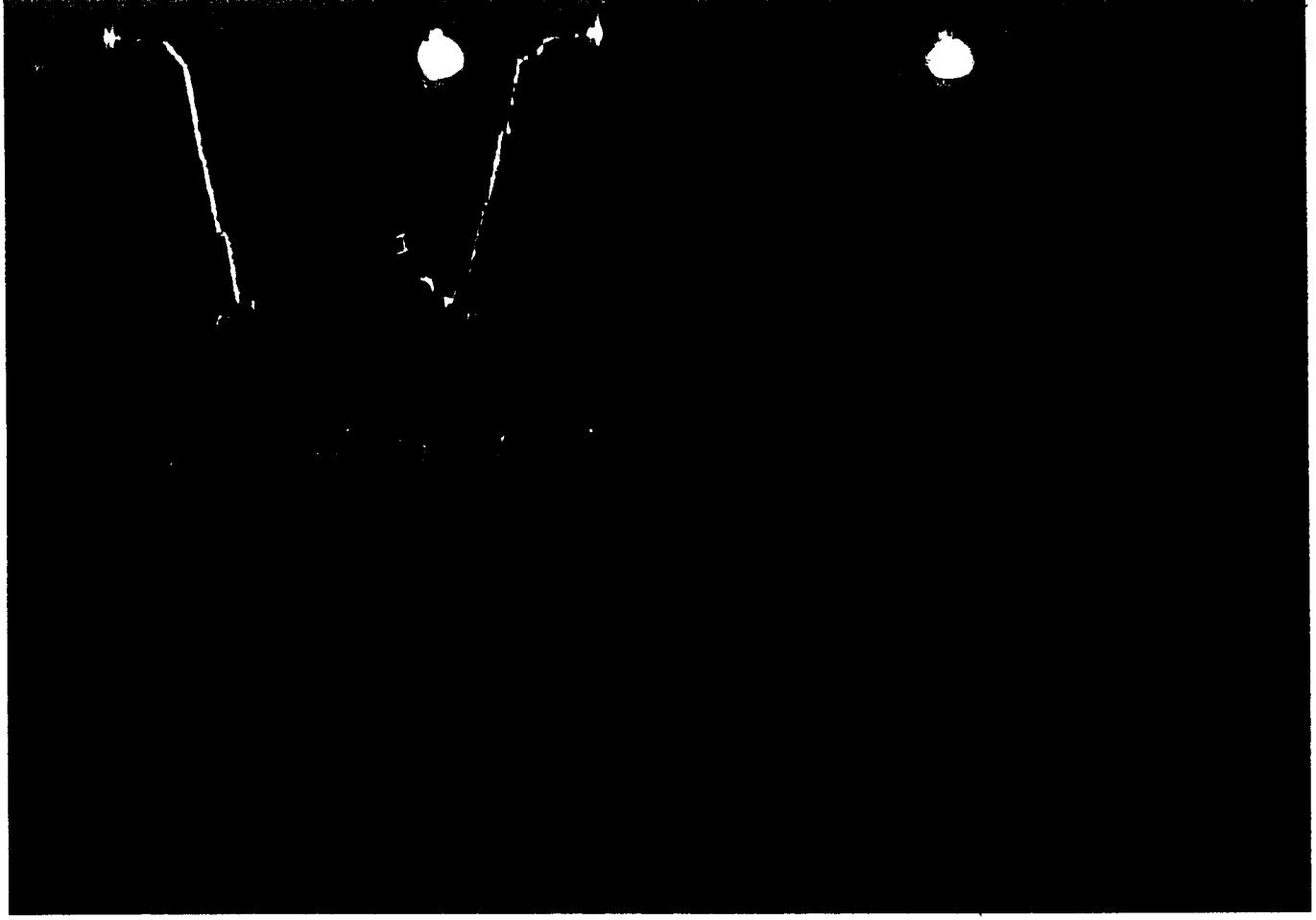
GAUGE NO: 490 DEPTH: 6264.0 BLANKED OFF: NO HOUR OF CLOCK: 24

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	2969	2971.7			
B	INITIAL FIRST FLOW	27	35.3	30.0	30.0	F
C	FINAL FIRST FLOW	27	31.9			
C	INITIAL FIRST CLOSED-IN	27	31.9	60.0	60.0	C
D	FINAL FIRST CLOSED-IN	188	192.1			
E	INITIAL SECOND FLOW	40	41.3	120.0	120.0	F
F	FINAL SECOND FLOW	53	47.6			
F	INITIAL SECOND CLOSED-IN	53	47.6	240.0	240.0	C
G	FINAL SECOND CLOSED-IN	801	820.4			
H	FINAL HYDROSTATIC	2956	2977.9			
I	HYDROSTATIC RELEASE					



GAUGE NO: 198 DEPTH: 6335.0 BLANKED OFF: YES HOUR OF CLOCK: 24

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	3004	3021.3			
B	INITIAL FIRST FLOW	53	57.1	30.0	30.0	F
C	FINAL FIRST FLOW	53	60.8			
C	INITIAL FIRST CLOSED-IN	53	60.8	60.0	60.0	C
D	FINAL FIRST CLOSED-IN	373	225.5			
E	INITIAL SECOND FLOW	53	65.7	120.0	120.0	F
F	FINAL SECOND FLOW	81	76.9			
F	INITIAL SECOND CLOSED-IN	81	76.9	240.0	240.0	C
G	FINAL SECOND CLOSED-IN	848	855.2			
H	FINAL HYDROSTATIC	3004	3011.5			
I	HYDROSTATIC RELEASE					



GAUGE NO: 498 DEPTH: 6355.0 BLANKED OFF: YES HOUR OF CLOCK: 48

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC		3038.7			
B	INITIAL FIRST FLOW			30.0		F
C	FINAL FIRST FLOW					
C	INITIAL FIRST CLOSED-IN			60.0		C
D	FINAL FIRST CLOSED-IN					
E	INITIAL SECOND FLOW			120.0		F
F	FINAL SECOND FLOW					
F	INITIAL SECOND CLOSED-IN			240.0		C
G	FINAL SECOND CLOSED-IN					
H	FINAL HYDROSTATIC		3024.4			
I	HYDROSTATIC RELEASE		3005.7			

EQUIPMENT & HOLE DATA

FORMATION TESTED: UPPER ISMAY
NET PAY (ft): 20.0
GROSS TESTED FOOTAGE: 50.0
ALL DEPTHS MEASURED FROM: KELLY BUSHING
CASING PERFS. (ft):
HOLE OR CASING SIZE (in): 8.750
ELEVATION (ft): 6186
TOTAL DEPTH (ft): 6540.0
PACKER DEPTH(S) (ft): 6280, 6290, 6340
FINAL SURFACE CHOKE (in): 0.125
BOTTOM HOLE CHOKE (in): 0.750
MUD WEIGHT (lb/gal): 9.00
MUD VISCOSITY (sec): 38
ESTIMATED HOLE TEMP. (°F):
ACTUAL HOLE TEMP. (°F): 128 @ 6353.0 ft

TICKET NUMBER: 67075400

DATE: 1-3-85 TEST NO: 3

TYPE DST: OFF BT. STRADDLE

HALLIBURTON CAMP: VERNAL

TESTER: MC MILLAN / RIPPLE

WITNESS: TERRY CRAWSON

DRILLING CONTRACTOR: YOUNG #5

FLUID PROPERTIES FOR RECOVERED MUD & WATER

SOURCE	RESISTIVITY		CHLORIDES
MUD PIT	0.460 @	68 °F	8300 ppm
TOP OF FLUID	0.500 @	68 °F	7800 ppm
MIDDLE OF FLUID	0.470 @	68 °F	8180 ppm
BOTTOM OF FLUID	0.470 @	68 °F	8180 ppm
SAMPLER	0.500 @	68 °F	7800 ppm
	@	°F	ppm

SAMPLER DATA

Psig AT SURFACE: 21
cu.ft. OF GAS: 0.09
cc OF OIL: 0
cc OF WATER: 0
cc OF MUD: 1275
TOTAL LIQUID cc: 1275

HYDROCARBON PROPERTIES

OIL GRAVITY (°API): @ °F
GAS/OIL RATIO (cu.ft. per bbl):
GAS GRAVITY:

CUSHION DATA

TYPE	AMOUNT	WEIGHT

RECOVERED:

75' OF DRILLING MUD (SLIGHTLY GAS CUT)

MEASURED FROM TESTER VALVE

REMARKS:

TYPE & SIZE MEASURING DEVICE: LT-20 MANIFOLD | TICKET NO: 67075400

TIME	CHOKE SIZE	SURFACE PRESSURE PSI	GAS RATE MCF	LIQUID RATE BPD	REMARKS
1-3-85					
2200					PICKED UP TOOLS
1-4-85					
0055					TOOLS MADE UP-STARTED IN HOLE
0457					ON BOTTOM
0500					OPENED TOOL-1" BUBBLE HOSE IN
					WATER
0505					2 1/4" BUBBLE HOSE IN WATER
0510					3 1/2" BUBBLE HOSE IN WATER
0515	.125	1 OZ.			
0520	.125	1.5 OZ.			
0525		1.75 OZ.			
0530		1.75 OZ.			CLOSED TOOL
0630					OPENED TOOL-2" BUBBLE HOSE IN
					WATER
0635					2" BUBBLE HOSE IN WATER
0640					2.5"
0645					2.5"
0650					3"
0655					3"
0700					3"
0705					3"
0710					3.5"
0715					3.5"
0720					3.5"
0725					3.5"
0730					3.5"
0735					3.5"
0740					3.5"
0745					3.5"
0750					4"
0755					4"
0800					4"
0805					4"
0810					4"
0815					4.5"
0820					4.5"

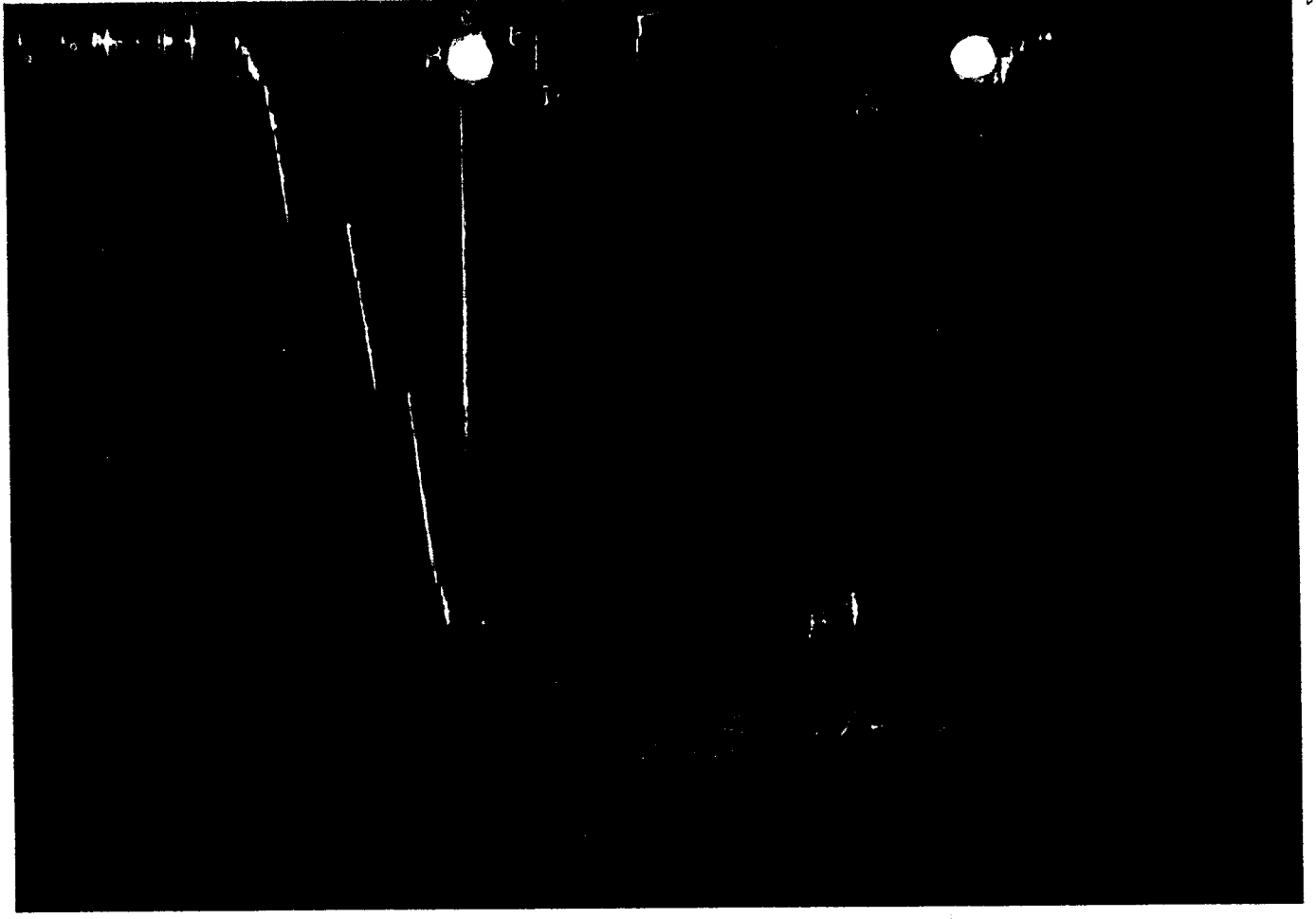
TYPE & SIZE MEASURING DEVICE: LT-20 MANIFOLD | TICKET NO: 67075400

TIME	CHOKE SIZE	SURFACE PRESSURE PSI	GAS RATE MCF	LIQUID RATE BPD	REMARKS
0825					4.5"
0830					4.5"-CLOSED TOOL
1230					BYPASSED OPEN-TRIPPED OUT OF
					HOLE
1630					BROKE DOWN TOOLS-LOADED OUT
1930					JOB COMPLETED

TICKET NO. 67075400

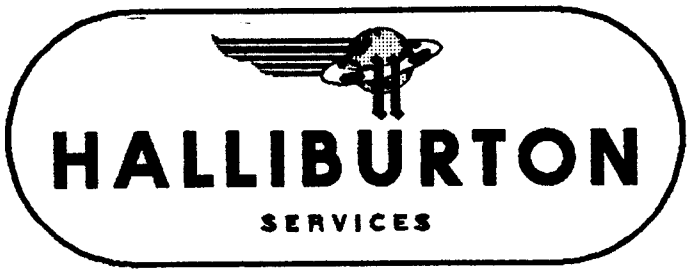
		O.D.	I.D.	LENGTH	DEPTH
1	DRILL PIPE.....	4.500	3.826	5725.0	
3	DRILL COLLARS.....	6.250	2.250	521.8	
50	IMPACT REVERSING SUB.....	5.875	2.813	1.0	6216.0
3	DRILL COLLARS.....	6.250	2.250	34.2	
5	CROSSOVER.....	5.500	2.625	0.8	
13	DUAL CIP SAMPLER.....	5.000	0.750	7.0	
60	HYDROSPRING TESTER.....	5.000	0.750	5.0	6262.0
80	AP RUNNING CASE.....	5.000	3.060	4.1	6264.0
15	JAR.....	5.000	1.750	5.0	
16	VR SAFETY JOINT.....	5.000	1.000	2.8	
17	PRESSURE EQUALIZING CROSSOVER...	5.000	0.750	1.0	
70	OPEN HOLE PACKER.....	7.750	1.530	5.8	6280.0
18	DISTRIBUTOR VALVE.....	5.000	1.680	2.2	
70	OPEN HOLE PACKER.....	7.750	1.530	7.4	6290.0
20	FLUSH JOINT ANCHOR.....	5.750	3.500	38.0	
17	PRESSURE EQUALIZING CROSSOVER...	5.000	0.750	4.7	
81	BLANKED-OFF RUNNING CASE.....	5.000		4.1	6335.0
70	OPEN HOLE PACKER.....	7.750	1.530	7.4	6340.0
90	SIDE WALL ANCHOR.....	7.500	1.630	5.4	6347.0
5	CROSSOVER.....	5.750	2.250	0.6	
20	FLUSH JOINT ANCHOR.....	5.750	3.500	4.9	
81	BLANKED-OFF RUNNING CASE.....	5.750		4.5	6355.0
	TOTAL DEPTH				6540.0

EQUIPMENT DATA



GAUGE NO: 490 DEPTH: 6359.0 BLANKED OFF: NO HOUR OF CLOCK: 24

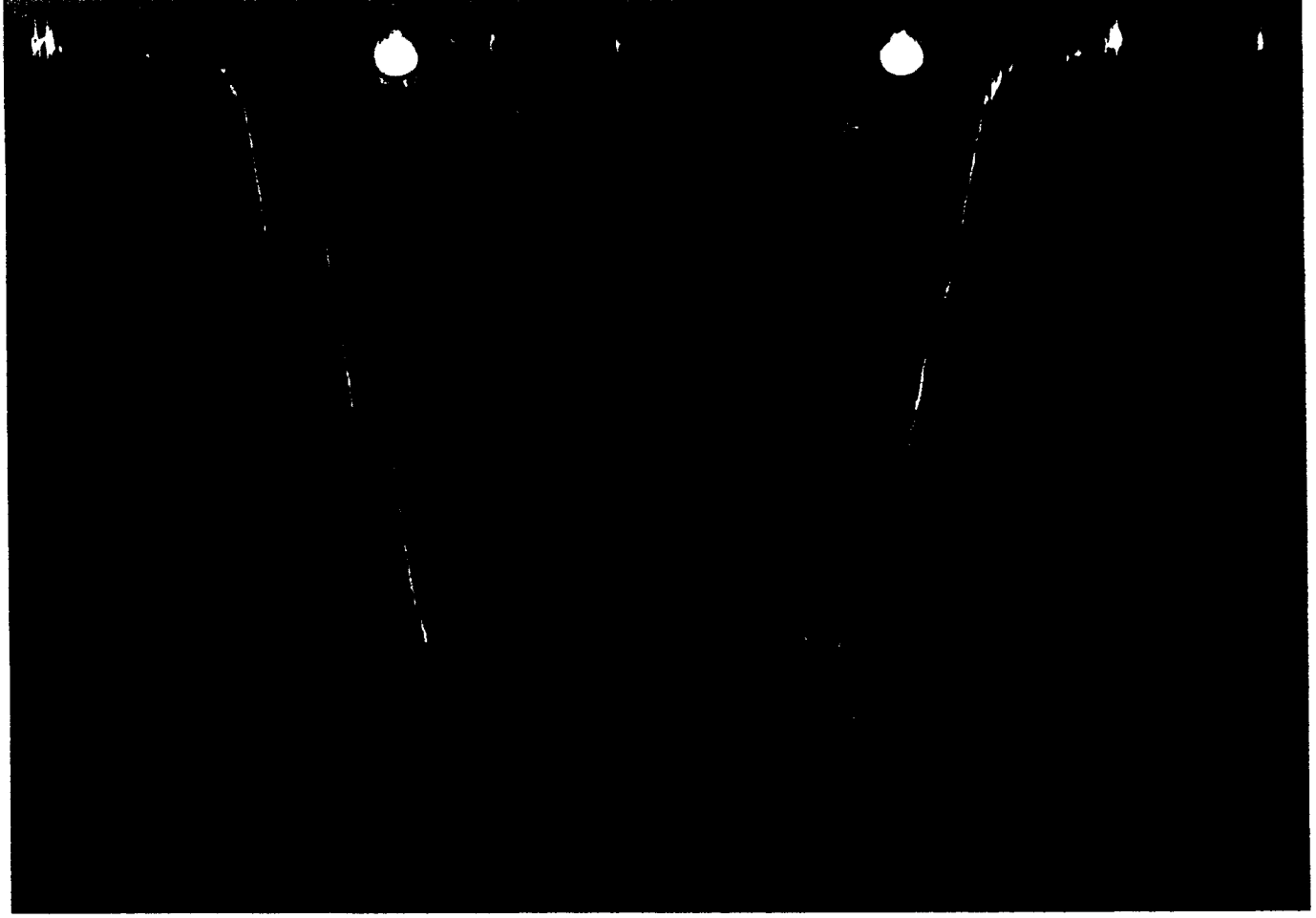
ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	3009	3001.6			
B	INITIAL FIRST FLOW	67	52.0	30.0	28.4	F
C	FINAL FIRST FLOW	67	56.0			
C	INITIAL FIRST CLOSED-IN	67	56.0	60.0	60.0	C
D	FINAL FIRST CLOSED-IN	214	211.5			
E	INITIAL SECOND FLOW	67	43.9	120.0	120.8	F
F	FINAL SECOND FLOW	67	56.2			
F	INITIAL SECOND CLOSED-IN	67	56.2	240.0	240.8	C
G	FINAL SECOND CLOSED-IN	388	399.5			
H	FINAL HYDROSTATIC	3009	2999.5			



TICKET NO. 67075500
11-JAN-85
VERNAL

FORMATION TESTING SERVICE REPORT

MUSTANG LEASE NAME	22-43 WELL NO.	4 TEST NO.	SKYLINE OIL COMPANY LEASE OWNER/COMPANY NAME	
LEGAL LOCATION SEC. - TWP. - RNG.		6385.' - 6540.' TESTED INTERVAL		
22-36S-23E	MUSTANG FLAT FIELD AREA		SAN JUAN COUNTY	UTAH STATE
				IC



GAUGE NO: 198 DEPTH: 6537.0 BLANKED OFF: YES HOUR OF CLOCK: 24

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	3109	3101.5			
B	INITIAL FIRST FLOW	133	132.4	30.0	28.4	F
C	FINAL FIRST FLOW	133	134.2			
C	INITIAL FIRST CLOSED-IN	133	134.2	60.0	60.0	C
D	FINAL FIRST CLOSED-IN	293	284.7			
E	INITIAL SECOND FLOW	120	117.6	120.0	120.8	F
F	FINAL SECOND FLOW	120	130.3			
F	INITIAL SECOND CLOSED-IN	120	130.3	240.0	240.8	C
G	FINAL SECOND CLOSED-IN	466	473.6			
H	FINAL HYDROSTATIC		3093.1			

EQUIPMENT & HOLE DATA

FORMATION TESTED: DESERT CREEK
NET PAY (ft): 10.0
GROSS TESTED FOOTAGE: 68.0
ALL DEPTHS MEASURED FROM: KELLY BUSHING
CASING PERFS. (ft):
HOLE OR CASING SIZE (in): 8.750
ELEVATION (ft): 6186
TOTAL DEPTH (ft): 6540.0
PACKER DEPTH(S) (ft): 6462, 6472
FINAL SURFACE CHOKE (in):
BOTTOM HOLE CHOKE (in): 0.750
MUD WEIGHT (lb/gal): 9.00
MUD VISCOSITY (sec): 36
ESTIMATED HOLE TEMP. (°F):
ACTUAL HOLE TEMP. (°F): 130 @ 6536.0 ft

TICKET NUMBER: 67075200

DATE: 1-1-85 TEST NO: 1

TYPE DST: OPEN HOLE

HALLIBURTON CAMP: VERNAL

TESTER: PHILLIP MC MILLIAN
RANDY RIPPLE

WITNESS: TERRY CROWSON

DRILLING CONTRACTOR: YOUNG DRILLING #5

FLUID PROPERTIES FOR RECOVERED MUD & WATER

SOURCE	RESISTIVITY		CHLORIDES
MUD PIT	0.700 @	68 °F	5333 ppm
TOP OF FLUID	0.370 @	0 °F	11200 ppm
SAMPLER	0.160 @	0 °F	27800 ppm
	@	°F	ppm
	@	°F	ppm
	@	°F	ppm

SAMPLER DATA

Psig AT SURFACE: 17
cu.ft. OF GAS: 0.07
cc OF OIL: 0
cc OF WATER: 0
cc OF MUD: 1475
TOTAL LIQUID cc: 1475

HYDROCARBON PROPERTIES

OIL GRAVITY (°API): @ °F
GAS/OIL RATIO (cu.ft. per bbl):
GAS GRAVITY:

CUSHION DATA

TYPE	AMOUNT	WEIGHT

RECOVERED:

79 FEET OF MUD - SALTWATER CUT

MEASURED FROM TESTER VALVE

REMARKS:

EQUIPMENT & HOLE DATA

FORMATION TESTED: LOWER ISMAY
NET PAY (ft): 8.0
GROSS TESTED FOOTAGE: 155.0
ALL DEPTHS MEASURED FROM: KELLY BUSHING
CASING PERFS. (ft):
HOLE OR CASING SIZE (in): 8.750
ELEVATION (ft): 6186
TOTAL DEPTH (ft): 6540.0
PACKER DEPTH(S) (ft): 6376, 6385
FINAL SURFACE CHOKE (in):
BOTTOM HOLE CHOKE (in): 0.750
MUD WEIGHT (lb/gal): 9.00
MUD VISCOSITY (sec): 36
ESTIMATED HOLE TEMP. (°F):
ACTUAL HOLE TEMP. (°F): 130 @ 6536.0 ft

TICKET NUMBER: 67075500

DATE: 1-4-85 TEST NO: 4

TYPE DST: OPEN HOLE

HALLIBURTON CAMP: VERNAL

TESTER: R. RIPPLE
D. MC MILLAN

WITNESS: TERRY CROWSON

DRILLING CONTRACTOR: YOUNG DRILLING RIG #5

FLUID PROPERTIES FOR RECOVERED MUD & WATER

SOURCE	RESISTIVITY		CHLORIDES
MUD PIT	0.460 @	68 °F	8300 ppm
TOP OF FLUID	0.440 @	0 °F	9090 ppm
	@	°F	ppm
	@	°F	ppm
	@	°F	ppm
	@	°F	ppm

SAMPLER DATA

Psig AT SURFACE: 43
cu.ft. OF GAS: 0.38
cc OF OIL: 0
cc OF WATER: 0
cc OF MUD: 0
TOTAL LIQUID cc: 0

HYDROCARBON PROPERTIES

OIL GRAVITY (°API): @ °F
GAS/OIL RATIO (cu.ft. per bbl):
GAS GRAVITY:

CUSHION DATA

TYPE	AMOUNT	WEIGHT

RECOVERED:

86 FEET OF DRILLING MUD - SLIGHTLY GAS CUT

MEASURED FROM TESTER VALVE

REMARKS:

NOTE: THERE WAS A TRACE OF MUD IN THE SAMPLER.

TYPE & SIZE MEASURING DEVICE:					TICKET NO: 67075500
TIME	CHOKE SIZE	SURFACE PRESSURE PSI	GAS RATE MCF	LIQUID RATE BPD	REMARKS
1-4-85					
2000					PICKED UP TOOLS - REDRESSED
					DCIP AND HYDROSPRING
2339					TRIPPED IN HOLE WITH TOOLS
1-5-85					
0417					ON BOTTOM
0419					OPENED TOOL WITH 1" BLOW
					IN BUCKET - NOTE: ALL PSI
					MEASURED IN OUNCES.
0424	1/8"BH	7			
0429		8.5			
0434		9			
0439		9.25			
0444		9.25			
0449		9.25			CLOSED TOOL
0549	1/8"BH	4			OPENED TOOL
0559		7			
0609		7			
0619		6.5			
0629		6.5			
0639		6.5			
0649		6			
0659		6			
0709		6			
0719		5.5			
0729		5			
0739		6			
0749		6			CLOSED TOOL
1149					OPENED BYPASS AND PULLED OUT
					OF HOLE
1605					DRAINED SAMPLER -
					LAID DOWN TOOLS
					JOB COMPLETED

TICKET NO: 67075500

CLOCK NO: 32046 HOUR: 24

HALLIBURTON SERVICES

GAUGE NO: 490

DEPTH: 6359.0

REF		MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t+\Delta t}$	$\log \frac{t+\Delta t}{\Delta t}$
		FIRST FLOW				
B	1	0.0	52.0			
	2	5.0	54.9	2.9		
	3	10.0	56.3	1.3		
	4	15.0	56.3	0.0		
	5	20.0	56.4	0.1		
	6	25.0	56.5	0.1		
C	7	28.4	56.0	-0.5		
		FIRST CLOSED-IN				
C	1	0.0	56.0			
	2	5.0	72.8	16.8	4.2	0.827
	3	10.0	87.9	31.9	7.4	0.584
	4	15.0	101.2	45.2	9.8	0.462
	5	20.0	115.1	59.1	11.7	0.385
	6	25.0	127.9	71.9	13.3	0.330
	7	30.0	140.6	84.6	14.6	0.290
	8	35.0	153.3	97.3	15.7	0.258
	9	40.0	165.3	109.3	16.6	0.233
	10	45.0	176.5	120.5	17.4	0.213
	11	50.0	187.7	131.7	18.1	0.196
	12	55.0	199.3	143.3	18.7	0.181
D	13	60.0	211.5	155.5	19.3	0.169
		SECOND FLOW				
E	1	0.0	43.9			
	2	15.0	55.5	11.7		
	3	30.0	55.9	0.4		
	4	45.0	55.7	-0.3		
	5	60.0	56.1	0.4		
	6	75.0	55.8	-0.3		
	7	90.0	55.8	0.0		
	8	105.0	56.1	0.3		
F	9	120.8	56.2	0.1		
		SECOND CLOSED-IN				
F	1	0.0	56.2			
	2	10.0	78.3	22.1	9.4	1.201
	3	20.0	99.9	43.7	17.6	0.928
	4	30.0	119.9	63.7	25.0	0.777
	5	40.0	138.9	82.7	31.5	0.675
	6	50.0	157.4	101.2	37.5	0.600
	7	60.0	174.4	118.2	42.8	0.543
	8	70.0	192.0	135.8	47.6	0.496
	9	80.0	208.2	152.0	52.1	0.457
	10	90.0	223.4	167.2	56.1	0.425
	11	100.0	237.9	181.7	59.9	0.396

REF		MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t+\Delta t}$	$\log \frac{t+\Delta t}{\Delta t}$
		SECOND CLOSED-IN - CONTINUED				
	12	110.0	252.1	195.9	63.3	0.372
	13	120.0	266.5	210.3	66.5	0.351
	14	130.0	280.1	223.9	69.5	0.332
	15	140.0	292.2	236.0	72.2	0.315
	16	150.0	305.8	249.6	74.8	0.300
	17	160.0	317.8	261.6	77.2	0.286
	18	170.0	328.9	272.7	79.5	0.274
	19	180.0	339.5	283.3	81.6	0.262
	20	190.0	351.3	295.1	83.6	0.252
	21	200.0	361.1	304.9	85.5	0.242
	22	210.0	371.3	315.1	87.2	0.233
	23	220.0	381.6	325.4	88.9	0.225
	24	230.0	390.4	334.2	90.5	0.217
G	25	240.8	399.5	343.3	92.1	0.209

REMARKS:

TICKET NO: 67075500

CLOCK NO: 30096 HOUR: 24

HALLIBURTON SERVICES

GAUGE NO: 198

DEPTH: 6537.0

REF		MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t+\Delta t}$	$\log \frac{t+\Delta t}{\Delta t}$
		FIRST FLOW				
B	1	0.0	132.4			
	2	5.0	134.2	1.7		
	3	10.0	134.2	0.0		
	4	15.0	134.3	0.1		
	5	20.0	134.3	0.0		
	6	25.0	134.3	0.0		
C	7	28.4	134.2	-0.1		
		FIRST CLOSED-IN				
C	1	0.0	134.2			
	2	5.0	150.0	15.9	4.3	0.824
	3	10.0	165.2	31.1	7.4	0.585
	4	15.0	178.4	44.3	9.8	0.461
	5	20.0	191.5	57.4	11.7	0.385
	6	25.0	204.6	70.4	13.3	0.330
	7	30.0	216.9	82.7	14.6	0.290
	8	35.0	229.1	95.0	15.7	0.258
	9	40.0	241.0	106.8	16.6	0.233
	10	45.0	252.7	118.6	17.4	0.213
	11	50.0	264.3	130.2	18.1	0.195
	12	55.0	274.3	140.2	18.7	0.181
D	13	60.0	284.7	150.6	19.3	0.169
		SECOND FLOW				
E	1	0.0	117.6			
	2	15.0	130.0	12.4		
	3	30.0	130.3	0.3		
	4	45.0	130.3	0.0		
	5	60.0	130.4	0.1		
	6	75.0	130.4	0.0		
	7	90.0	130.8	0.4		
	8	105.0	130.3	-0.5		
F	9	120.8	130.3	0.0		
		SECOND CLOSED-IN				
F	1	0.0	130.3			
	2	10.0	153.9	23.6	9.4	1.202
	3	20.0	173.5	43.2	17.6	0.928
	4	30.0	193.1	62.8	25.0	0.776
	5	40.0	211.6	81.4	31.5	0.675
	6	50.0	229.8	99.5	37.5	0.600
	7	60.0	247.0	116.7	42.8	0.543
	8	70.0	263.7	133.4	47.7	0.496
	9	80.0	279.8	149.5	52.1	0.457
	10	90.0	295.0	164.7	56.1	0.425
	11	100.0	310.6	180.3	59.9	0.397

REF		MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t+\Delta t}$	$\log \frac{t+\Delta t}{\Delta t}$
		SECOND CLOSED-IN - CONTINUED				
	12	110.0	325.0	194.7	63.3	0.372
	13	120.0	339.1	208.9	66.5	0.351
	14	130.0	352.9	222.6	69.5	0.332
	15	140.0	365.6	235.3	72.2	0.315
	16	150.0	378.1	247.8	74.8	0.300
	17	160.0	390.0	259.7	77.2	0.286
	18	170.0	402.5	272.2	79.5	0.274
	19	180.0	413.0	282.8	81.6	0.262
	20	190.0	423.3	293.0	83.6	0.252
	21	200.0	433.7	303.4	85.5	0.242
	22	210.0	444.1	313.8	87.2	0.233
	23	220.0	454.5	324.2	88.9	0.225
	24	230.0	463.8	333.6	90.5	0.217
G	25	240.8	473.6	343.3	92.1	0.209

REMARKS:

TICKET NO. 67075500

		O.D.	I.D.	LENGTH	DEPTH
1	DRILL PIPE.....	4.500	3.826	5914.0	
3	DRILL COLLARS.....	6.250	2.250	367.2	
50	IMPACT REVERSING SUB.....	5.875	2.813	1.0	6282.0
3	DRILL COLLARS.....	6.250	2.250	62.3	
5	CROSSOVER.....	6.125	2.563	1.2	
13	DUAL CIP SAMPLER.....	5.000	0.750	7.0	
60	HYDROSPRING TESTER.....	5.000	0.750	5.0	6357.0
80	AP RUNNING CASE.....	5.000	2.250	4.1	6359.0
15	JAR.....	5.000	1.750	5.0	
16	VR SAFETY JOINT.....	5.000	1.000	2.8	
70	OPEN HOLE PACKER.....	7.750	1.530	7.4	6376.0
18	DISTRIBUTOR VALVE.....	5.000	1.680	2.2	
70	OPEN HOLE PACKER.....	7.750	1.530	7.4	6385.0
20	FLUSH JOINT ANCHOR.....	5.750	3.500	15.0	
5	CROSSOVER.....	6.125	2.500	1.1	
3	DRILL COLLARS.....	6.250	2.250	126.5	
5	CROSSOVER.....	5.500	2.625	0.8	
20	FLUSH JOINT ANCHOR.....	5.750	3.500	5.0	
81	BLANKED-OFF RUNNING CASE.....	5.750		4.5	6537.0
	TOTAL DEPTH				6540.0

EQUIPMENT DATA

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL [X] GAS WELL [ ] OTHER

2. NAME OF OPERATOR
TEXAS EASTERN SKYLINE OIL COMPANY

3. ADDRESS OF OPERATOR
1775 Sherman St., Suite 1200, Denver, Colorado 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface
1690' FSL & 637' FEL (NE SE) Sec. 22, T36S, R23E

5. LEASE DESIGNATION AND SERIAL NO.
U-23521

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Mustang

8. FARM OR LEASE NAME
Mustang Unit

9. WELL NO.
22-43

10. FIELD AND POOL, OR WILDCAT
Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 22, T36S, R23E, SLB&M

14. PERMIT NO.
API #43-037-31109

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
OGL - 6186'

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
TEST WATER SHUT-OFF	[ ]	PULL OR ALTER CASING	[ ]	WATER SHUT-OFF	[ ]	REPAIRING WELL	[ ]
FRACTURE TREAT	[ ]	MULTIPLE COMPLETE	[ ]	FRACTURE TREATMENT	[ ]	ALTERING CASING	[ ]
SHOOT OR ACIDIZE	[ ]	ABANDON*	[ ]	SHOOTING OR ACIDIZING	[ ]	ABANDONMENT*	[ ]
REPAIR WELL	[ ]	CHANGE PLANS	[ ]	(Other) History Update			[X]
(Other)			[ ]				

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Drilled 8 3/4" hole to 6181'. Cut Core #1 6181'-6241' Cut 60' recovered 59'.

Cut Core #2 6241'-6301' Cut 60', recovered 45'. Drilled 8 3/4" hole to 6436'.

Cut Core #3 6436'-6496' Cut 60' recovered 58'. Drilled 8 3/4" hold to 6540'.

Ran electric logs.

Ran DST #1 6472'-6540' 30-60-90-180. Recovered 79' salt water Cut drilling mud.

Ran DST #2 Misrun.

Ran DST #3 6290'-6340' 30-60-120-240. Recovered 75' mud.

Ran DST #4 6385'-6540' 30-60-120-240. Recovered 86' mud.

18. I hereby certify that the foregoing is true and correct

SIGNED [signature] TITLE Staff Engineer DATE 1-9-85

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Form 3160-5
(November 1983)
(Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

5. LEASE DESIGNATION AND SERIAL NO.	U-23521
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
7. UNIT AGREEMENT NAME	Mustang
8. FARM OR LEASE NAME	Mustang Unit
9. WELL NO.	22-43
10. FIELD AND POOL, OR WILDCAT	Mustang Flat
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA	Sec. 22, T36S, R23E, SLB&M
12. COUNTY OR PARISH	San Juan
13. STATE	Utah

1. OIL WELL [X] GAS WELL [ ] OTHER

2. NAME OF OPERATOR
TEXAS EASTERN SKYLINE OIL COMPANY

3. ADDRESS OF OPERATOR
1775 Sherman St., Suite 1200, Denver, Colorado 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface
1690' FSL & 637' FEL (NE SE) Sec. 22, T36S, R23E

14. PERMIT NO.
API #43-037-31109

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
OGL-6186'

16. **Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data**

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
TEST WATER SHUT-OFF	[ ]	PULL OR ALTER CASING	[ ]	WATER SHUT-OFF	[ ]	REPAIRING WELL	[ ]
FRACTURE TREAT	[ ]	MULTIPLE COMPLETE	[ ]	FRACTURE TREATMENT	[ ]	ALTERING CASING	[ ]
SHOOT OR ACIDIZE	[ ]	ABANDON*	[ ]	SHOOTING OR ACIDIZING	[ ]	ABANDONMENT*	[X]
REPAIR WELL	[ ]	CHANGE PLANS	[ ]				
(Other)				(Other)			

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The subject well has been plugged and abandoned as follows:

Plug #1	100 sx	6176' - 6375'
Plug #2	75 sx	2208' - 2035'
Plug #3	25 sx	Surface

Dry hole marker has been installed.

Rig released 2:00 p.m. 1-6-85.

Location rehabilitation will be accomplished when weather permits.

Verbal permission to P&A given by Mr. Bob Terry.

18. I hereby certify that the foregoing is true and correct
SIGNED Michael O. Leavitt TITLE Staff Engineer DATE 1-9-85

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

ACCEPTED
~~APPROVED~~ BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 1/17/85
BY: John R. Baza

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Form approved – Budget Bureau No. 1004-0138 Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3160-6
(November 1983)
(Formerly 9-329)

MONTHLY REPORT OF OPERATIONS

Lease No. U-23521
Communitization Agreement No. _____
Field Name Mustang Flat
Unit Name Mustang
Participating Area _____
County San Juan State Utah
Operator Texas Eastern Skyline Oil Company
☐ Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of December, 19 84

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No.	Sec. & ¼ of ¼	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
22-43	NE SE 22	36S	23E	DRG	- -	- -	- -	- -	Spudded 12-13-84 Drilled 12¼" hole to 2210'. Set 9 5/8" casing. Drilled 8 3/4" hole to 6181'. Cut Core #1 6181-6241, Cut Core #2 6241-6301'. Drilled to 6436. Cut Core #3 6436-6496. Drilled to 6540'. API #43-037-31109

RECEIVED
JAN 30 1985
DIVISION OF
OIL, GAS & MINING

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*Produced			
*Sold			XXXXXXXXXXXXXXXX
*Spilled or Lost		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXX
*Used on Lease			XXXXXXXXXXXXXXXX
*Injected			
*Surface Pits	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	
*Other (Identify)			
*On hand, End of Month		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*API Gravity/BTU Content			XXXXXXXXXXXXXXXX

Authorized Signature: Michael D. Watson Address: 1775 Sherman, Suite 1200, Denver CO 80203
Title: Staff Engineer

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

orig: M. Yared
xc: M. Anderson

Bureau of Land Management
Branch of Fluid Minerals (U-922)
324 South State Street
Salt Lake City, Utah 84111-2303

022404

February 6, 1987

Samedan Oil Corporation
1616 Glenarm Place
Suite 2550
Denver, Colorado 80202

L. M. TURNER
FEB 9 1987
Land & Property Admin.

Re: Successor of Operator
Mustang Unit
San Juan County, Utah

Gentlemen:

We received an indenture dated February 1, 1987, whereby Texas Eastern Skyline Oil Company resigned as Operator and Samedan Oil Corporation was designated as Operator for the Mustang Unit Agreement, San Juan County, Utah.

This indenture was executed by all required parties. The signatory parties have complied with Section 6 of the unit agreement. The instrument is hereby accepted effective as of February 6, 1987. Please advise all interested parties of the change in unit operator.

Sincerely,

(Orig. Sgd.) H.A. Lemm

Howard A. Lemm
Chief, Branch of Fluid Minerals

Enclosure

cc: Texas Eastern Skyline Oil Company

Form approved – Budget Bureau No. 1004-0138 Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3160-6
(November 1983)
(Formerly 9-329)

MONTHLY REPORT OF OPERATIONS

Lease No. U-23521 File

Communitization Agreement No. _____

Field Name Mustang Flat

Unit Name Mustang

Participating Area _____

County San Juan State Utah

Operator TEXAS EASTERN SKYLINE OIL COMPANY

☐ Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of January, 19 85

[redacted] (See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No.	Sec. & ¼ of ¼	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
22-43	NE SE Sec.22	36S	23E	P & A	--	--	--	--	Ran 3 DST's. No recovery. Plugged and abandoned 1-6-85 Spudded 12-13-84

4303731169

RECEIVED
FEB 1985
DIVISION OF OIL GAS & MINING

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*Produced			
*Sold			XXXXXXXXXXXXXXXX
*Spilled or Lost		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXX
*Used on Lease			XXXXXXXXXXXXXXXX
*Injected			
*Surface Pits	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	
*Other (Identify)			
*On hand, End of Month		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*API Gravity/BTU Content			XXXXXXXXXXXXXXXX

Authorized Signature: Michael D. Peterson Address: 1775 Sherman St., Ste. 1200, Denver, CO 8020

Title: Staff Engineer

Page 1 of 1

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Form 9-330
(Rev. 5-63)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE (See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

5. LEASE DESIGNATION AND SERIAL NO.: U-23521

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME: Mustang

8. FARM OR LEASE NAME: Mustang Unit

9. WELL NO.: 22-43

10. FIELD AND POOL, OR WILDCAT: Mustang Flat

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: Sec. 22, T36S, R23E, SLB & M

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☒ Other

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other

2. NAME OF OPERATOR: TEXAS EASTERN SKYLINE OIL COMPANY

3. ADDRESS OF OPERATOR: 1775 Sherman St., Suite 1200, Denver, Colorado 80203

RECEIVED
FEB 19 1985
DIVISION OF OIL GAS & MINING

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface: 1690' FSL & 637' FEL (NE SE) Sec. 22, T36S, R23E
At top prod. interval reported below: Same
At total depth: Same

14. PERMIT NO.: API # 43-037-31109
DATE ISSUED: 11-29-84

12. COUNTY OR PARISH: San Juan
13. STATE: Utah

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (Ready to prod.)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
12-13-84	1-1-85	P & A 1-6-85	OGL - 6186	6185' (est)

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
6540	6540		→	X	

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
P & A 1-6-85

25. WAS DIRECTIONAL SURVEY MADE: No

26. TYPE ELECTRIC AND OTHER LOGS RUN: GR-DIL-SFL, GR-BHC Sonic, GR - FDC - CNL

27. WAS WELL CORED: Yes

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
16"	Tinhorn	112	20"	125 sx	None
9 5/8"	36#	2210	12¼"	470 sx Lite, 200 sx 'H'	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)
P & A 1-6-85

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
		P&A

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS
Geologic Report, DST report, Core Analysis Logs sent to State Office

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Michael O. Leavitt TITLE Staff Engineer DATE 2-12-85

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.
If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.
Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.
Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.
Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.
Item 29: *"Sacks Cement":* Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.
Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Ismay	6181'	6241'	Core #1 Cut 60' Recovered 59'
Ismay	6241'	6301'	Core #2 Cut 60' Recovered 45'
Desert Creek	6436'	6496'	Core #3 Cut 60' Recovered 58
Desert Creek	6472'	6540'	DST #1 30-60-90-180 BHT: 130°F IHP: 3022 FFP: 40-40 IFP: 40-40 FSIP: 80 ISIP: 80 FHP: 3022 Recovered 79' Salt water cut mud
Ismay	6290'	6340'	DST #3 30-60-120-240 BHT:128°F IHP: 2969 FFP: 40-54 IFP: 27-27 FSIP: 801 ISIP: 188 FHP: 2956 Recovered 75' mud
Ismay / Desert Creek	6385	6540'	DST #4 30-60-120-240 BHT - 130°F IHP: 3009 FFP: 67-67 IFP: 67-67 FSIP: 389 ISIP: 215 FHP: 3009 Recovered 86' drilling mud

38. GEOLOGIC MARKERS

NAME	TOP MEAS. DEPTH	TOP TRUE VERT. DEPTH
Shinarump	2788	
Moenkopi	2920	
Cutler	3082	
Hermosa	4780	
Ismay	6176	
Desert Creek	6452	
Akah	6528	
Salt		

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GPO 680-378

Form 3160-5
(November 1983)
(Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Budget Bureau No. 1004-0135
Expires August 31, 1985

PA 85

5. LEASE DESIGNATION AND SERIAL NO.: U-23521

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 02215

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL ☐ GAS WELL ☐ OTHER

7. UNIT AGREEMENT NAME: Mustang

2. NAME OF OPERATOR: Texas Eastern Skyline Oil Company

8. FARM OR LEASE NAME: Mustang Unit

3. ADDRESS OF OPERATOR: 1775 Sherman Street, Suite 1200, Denver CO 80203

9. WELL NO.: 22-43

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface: 1690' FSL & 637' FEL (NE SE) Sec. 22, T36S, R23E

10. FIELD AND POOL, OR WILDCAT: Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 22, T36S, R23E, SLB&M

14. PERMIT NO.: API #43-037-31109

15. ELEVATIONS (Show whether DF, RT, GR, etc.): GL - 6186'

12. COUNTY OR PARISH: San Juan

13. STATE: Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
TEST WATER SHUT-OFF	☐	PULL OR ALTER CASING	☐	WATER SHUT-OFF	☐	REPAIRING WELL	☐
FRACTURE TREAT	☐	MULTIPLE COMPLETE	☐	FRACTURE TREATMENT	☐	ALTERING CASING	☐
SHOOT OR ACIDIZE	☐	ABANDON*	☐	SHOOTING OR ACIDIZING	☐	ABANDONMENT*	☐
REPAIR WELL	☐	CHANGE PLANS	☐	(Other) Notice of Sale			X
(Other)			☐	(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)			

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Texas Eastern Skyline Oil Company on January 30, 1987, completed the sale of this property to Samedan Oil Corporation. Effective upon receipt by the BLM of the necessary paperwork, Samedan will assume all rights and obligations as Operator.

Samedan's address is:

Samedan Oil Corporation
1616 Glenarm Place, Suite 2550
Denver, Colorado 80202

Attn: Gary Brune

RECEIVED
FEB 23 1987
DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED Michael D. Anderson TITLE Manager DATE 2-2-87
Michael D. Anderson

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.